FACULTY OF ENGINEERING
AND SUSTAINABLE DEVELOPMENT

THE ROLE OF LEADERSHIP IN ORGANIZATIONAL CHANGE

Relating the Successful Organizational change to Visionary and Innovative Leadership

Wasim Abbas
Imran Asghar

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Examiner: Camilla Niss
Supervisor: Camilla Niss

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Abstract

The globalization has converted the world into a small global village; a village in which there is an ever high stream of contentions and competitions between organizations. In this scenario the most effective and beneficial maneuver for any organization is to create innovative ways in conducting business. This thesis deals with the role of leadership in the phenomena of organizational change and innovation. The leader as a person in charge or as a change agent can manage an organization or the process of organizational change more effectively and successfully if h/she is capable and competent. Rapid technological advancements, high expectations of customers, and ever changing market situations have compelled organizations to incessantly reassess and reevaluate how they work and to understand, adopt and implement changes in their business model in response of changing trends. Organizational change is a demand of the day, and needed for organizations to survive. Organizations now a days, well understand the importance of the matter, and are serious to prepare themselves not only the current, but also for the future trends to get the level of sustainable success, but Along with all of its implications and importance the process of organizational change is also a very complex and challenging. Research shows that 70 percent of organizational changes fail to get their goals. As leadership has a central role in evolution and cultivating an organization, the process of organizational change demands a very effective and highly competent leadership that is well capable to perceive the most desirable shape of an organization and address the issue of organizational change in most appropriate way. The analysis of literature reviewed and the results of real life cases of organizations which are studied for this thesis shows, that a leadership with the competencies of "Vision" and "Innovative Approach" along with other characteristics can prove more effective to conclude the complex phenomena of organizational change with success. Further the successful organizational change can leads to innovation for organization, which is the key of long term success and sustainability. This thesis as a result proposed a model which is derived from the leadership competencies, organizational change, and sustainable success and innovation literature. This model expresses relationship between successful organizational change and leadership on the basis of h/her characteristics, which are 'Vision" and "Innovative Approach". With the help of proposed model this relationship can be viewed graphically.

Key Words: Vision, Leadership, Innovative Approach, Organizational Change, Sustainability

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1: Introduction

1.1 Research Background

Every individual has some dreams and goals for h/her betterment, improvement or successful future. But unfortunately only having dreams and goals is not sufficient. We need to take practical steps and actions to get them in a better way, and these steps and actions demand different kind of knowledge, skills and talent to become successful.

Likewise in order to get the level of long term success and sustainability the organizations need to take some practical steps. While talking about these practical steps for organizations, the scholars and researchers are agree that organizations need to accept, adopt and implement changes in their business model according to changing trends, technologies, customer preferences and future concerns. Many authors write massively in this area. At the one end when, Caetano takes the organizational change as a demand of time to remain successful in business (Caetano, 1999) Boston, at the other end claims that organizational change is important for long term success and survival of an organization. There are possibilities for organizations to lose their repute and market share if they do not prepare themselves according to rapidly changing circumstances and situations. (Boston, MA, 2000). Different authors describe the significance of organizational change in different way, but it's an accepted fact that organizational change is important for sustainable business and long term success.

Accepting the greatness of organizational change and knowing the fact that practical steps are needed to make things happen, the next question may arise in minds that "who will take initiative to bring these changes for organizations, to take practical steps" and "who will be the person in charge". Scholars and researchers also agree on the point that role of a leadership/leader is very important while managing organizations or addressing the issue of organizational change. Kennedy believes that role of the leadership is a key while addressing the issue of organizational change and effective leader can bring effective change for an organization (Kennedy 2000). In their book *Organizational Change*, Senior and Fleming discus the role of leadership and claim that leader is a change agent who can take initiative and bring change for organization (Senior and Fleming 2006).

Knowing the importance and implication of organizational change and admitting the fact that organizational change is the demand of a time, for sustainable success and leader/leadership can play a key role in bringing and implementing these changes, by deciding the desired form of an organization and taking the practical steps which are needed for the process. The next obvious question which one can have, that what kind of leadership is needed for successful organizational change?

At the point where the authors agrees and accept that the role of a leader is crucial for managing organizational change, at the same point they also mention that the process of organizational change is very complex and challenging. A competent and effective leadership is required to manage the situation. Gruban highlight the fact that the leadership competencies have a great relation with successful organizational change and a competent leader may prove more effective in managing the change process successfully (Gruban 2003). Bennis also acknowledges that special qualities and characteristics are required form a leader to bring successful organizational change (Bennis, 1987).

1.2 Research Importance

Coming to the stage where we believe that not only the leadership but the competent leadership is required to understand, formulate and implement the most suitable change for organizations, the next manifest is , what kind of knowledge, skills, talent and competencies are required from a leader to bring a successful organizational change. It is also important to know, what is the relation of successful organizational change to the leadership competencies? And this area will be the focus of our thesis.

While discussing the leadership competencies authors admit that organizational change is a process in which a most desirable and suitable future form of an organization is perceived and route map is decided to get this new shape. Therefore a visionary leadership with innovative approach is a key to make this change happen successfully (Gesell, 2010). According to Bennis, vision is a mental image of a desirable future, so it is important that this future is perceived accurately, which needs a visionary leadership (Bennis & Nanus, 1985). Scholars also highlight that the innovative approach of a leader can increase the chances of success for a leader to get his vision (Bass 1990). Under the light of scientific articles and journals it can be seen that vision and innovative approach are two of those important characteristics of leadership which can make h/her more effective to address the issue of organizational change.

The role of leadership is well investigated on the basis of its competences and characteristics to address different organizational issue. Many leadership theories and leadership styles are presented by the scholars to handle and manage different organizational situations. Defining and discussing different characteristics of leadership authors also mention that some of these characteristics are more important, which a leadership should have to address the phenomena of organizational change successfully, but the relationship between these leadership characteristics and successful organizational change is not much investigated.

Sensing the gap, we take an initiative to investigate the role of leadership on the basis of h/her two characteristics which are “Vision” and “Innovative Approach” and to explore relationship between leadership and the successful organizational change by taking these two characteristics as variables.

On the basis of literature review, case studies and proposed model, we will see in this thesis that how Vision and Innovative approach of a leader is related to successful organizational change.

While talking about vision and innovative approach and referring these terms to leadership, this thesis do not deny the implication of other competencies of a leader. There are also other characteristics of leadership which are important and the relation between successful organizational change and leadership can also be investigated on basis of those characteristics.

1.4: Research Questions

This thesis revolves around the core research question that is:

How do visionary leadership with innovative approach relate to successful organizational change?

In order to make this thesis manageable and reader's friendly, we decide to split our core question in to three further sub questions, and then come to the actual area of research. There are two reasons behind the purpose, first we want to give our readers a sufficient knowledge base to easily understand the characters, which we are going to use in this thesis, and the second reason is do our work in more structured way. Three extended or sub research questions which we decide to address first in this chapter, are:

1: Why is vision important for leadership?

2: What is the importance of innovative approach?

3: Why is change needed for organizations?

1.3: Purpose

To meet the highly competitive and ever changing environment of business and trends, there is a continuous need for organizations to change their business model according to the trends, technologies and future concerns. This demands the most competent leadership for organizations that is not only well capable to understand and analyze the current business needs, but also prove effective and helpful to suggest the most suitable form of a change by using h/her vision and then implement this change by using h/her innovative approach to get that vision successfully. Knowing the importance of organizational change and accepting the key role leadership in change process, the purpose of this thesis is to explore the relationship between successful organizational change and leadership on basis of h/her two characteristics which are "Vision" and "Innovative approach". We will try to see this relation under the light of literature review and case studies, the results will be analyzed then on the basis of proposed model.

2: Methodology

Methodology is the part of research that shows the ways and approaches of collecting the data (Oliver, 2004).Our research is primarily qualitative and case based. The reason for choosing the case study strategy is the exploratory and the qualitative nature of study. Since the case studies have become one of the most common ways to do qualitative inquiry" (Stake, 2000, p.435). One of the reasons to use case studies in our research is its quality of flexibility which allows the researchers to use multiple data collection methods (Yin 1989; Merriam, 1998).According to Robson (1993), flexibility is always the main strength of the case study strategy in terms of interpretation and getting access to the specified places, or organizations.

The research is a based on secondary data. We used document analysis/content analysis as main method of data collection. Document analysis/content analysis also called "textual analysis" (Travers, 2001: 5) in the study will include all kinds of academic articles, textual and multi-media products, ranging from television programmes to web sites on the internet. Significant data was collected through telephonic and online interviews as well. The main purpose of interviews was to link the cases with the concepts identified in the literature searched through content analysis and to arrive at a model. The other reason for using interviews was to supplement document analysis and stimulate further questions for analysis. It was also helpful to make this thesis more systematic, as well. The stages of our data collection are as follows.

2.1 Preliminary and exploratory phase:

We reviewed a wide range of literature in the form of academic articles in electronic data bases about change management and innovation broadly. Those searches helped us in identifying the links between the leadership qualities and organizational change, which further helped us in refining and narrowing down our topic and research question. The main themes identified in academic articles were certain leadership qualities resulting in change and innovative strategies. We tried to search for some real cases during that time as well where the visionary and innovative practices have lead to successful outcomes. Our interest was more towards the developing countries firms experiences due to the reason that socio political environment of developing countries doesn't facilitate vision based innovative ideas and practices. We also wanted to see the applicability of the concepts and models used in the Western context to the developing countries context. Besides we conduct a few telephonic interviews with people with relevant background to identify the critical factors of phenomenon. In formally we tried to know about the phenomenon through chartrooms of MSN/YAHOO/SKYPE. Due to the reason that managing organizational change itself is a broad phenomenon and is defined differently in various settings, we have to conduct this preliminary and exploratory research.

2.2 Data Collection phase:

The second stage of data collection was rather more systematic. We narrowed down our research by inserting keywords "Vision" "Leadership" and "innovative approach" in the search fields in electronic data bases. We reviewed more than 40 articles, and we identified that almost three fourth of the articles were about the concept and role of leadership.

We succeeded in finding two practical and real cases as well during that time. One was Nirala Sweets from Pakistan and, the other was MAS Holding from Sri Lanka. Thus we choose two different companies of different countries; these are Pakistan and Sri Lanka. The reason to select the Pakistani company was that it is located in our home city, and it was also not difficult to gather data from this company, because our relatives and friends are working in this company. One of the reasons to choose that company for our case study was that after reading the different articles we arrived at conclusion that this company suits best to address and explore our research question.

In the case of Nirala Sweets we gather data from telephonic interviews and internet meetings with different officials including Manager Human Resources (HR) and Manager Research and Development (R&D) department. We also interviewed two of our friends and relatives working in this company. Four people were interviewed in total, the two are manager (HR) and manager (R&D), and the other two are our close friends working in this company in the department of sales and operations and are regular employees. The manager HR and manager R&D both were interviewed twice in four sessions and the total time of these interviews was 72 minutes, about 15 to 20 minutes in each session. These interviews were informal in nature, where we talked about the company's strategies, details of different departments, the management structure and the steps taken by the leadership during the process of organizational change. We have talked several times with the guys working in operations and sales department, as they are our friends and we meet quiet often at internet via different text, and voice channels. During our different chat sessions we talked about the new items introduced by the company, companies marketing and sales strategies and the repute of the company in the market. All the collected data was saved carefully and confirmed again and again, we also try to cross check the gathered data with information available on internet, in order to increase the reliability credibility of our work. The reliability can be taken as the stability of results. If the data collected through different channels is stable and refers the researchers towards same results then it can be considered stable and "*A high degree of stability indicates a high degree of reliability*" (Joppe 2000, in Golafshani , 2003, p 599) The interviews were made telephonically and electronically through MSN, Skype and smart VoIP.

The purpose of interviews was to identify the vision of the leader that motivate the company towards organizational change and innovation from employees' perspectives and also managers point of view who were involved practically in the process change management. It gives perspectives from 2 different angles on the same phenomenon.

It also helps in validating our concepts, or findings. According to Joppe "*Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are*" (Joppe 2000, in Golafshani, 2003, p 599)

The reason to choose the company from Sri Lanka was also same; our previous teacher did research on this company. In addition two of our friends in Pakistan who also had worked for that company in the past. One was working in the department of operations as an Assistant manager and the other was working in manufacturing unit as a shift in charge. We conducted in-depth interviews from total three persons; we interviewed with of our teacher three times for the purpose, with 45 minutes of total time. In this interview we talked about the history of the company, the vision of leader/leaders and the achievement made by the company. We have talked several times with both of our friends, through telephone, Skype, MSN messenger and Smart VoIP the nature of these chat sessions were informal where we talked about the working atmosphere of the company, the facilities for the workers which are introduced by the company, the annual sales and the performance of the company in the national and international business. We made notes of the relevant information, wrote in the form of words and analyzed. The data was also cross checked with the information available on net. After writing all the data in the form of cases it was send to our friends, teacher as well as the company officials to check the data for its reliability, and after their confirmation this was put into our final work.

2.3 Data Analysis Phase:

We employed content analysis approach here by counting the number of times that, any particular leadership property was linked to organizational change and innovation, accepting the fact that innovation and successful organizational are closely related things (Schunpeter, 1971). We reviewed those three forth articles and identified the instances of the visionary leadership. We reviewed that the visionary leadership and innovative approach are two of those important factors for bringing change in any organization, so we come to conclusion after content analysis that the role of leadership is central for the change and innovation as well. At the same time we did in-depth within and across analysis of 2 case studies to identify the constructs that we identified in literature and its relation to organizational change and innovation in the cases. We analyzed all the interviews to identify the constructs and the relationship we identified theoretically in the literature in the case studies. We in one way matched the patterns (words) in the literature with the words of the interview. It's called pattern matching in case study approach. We reviewed different books and article and literature in order to build a model, though the primary objective of this study was not to arrive at a model.

2.4 Writings the Thesis:

During our thesis work, we see that the visionary and innovative leadership is the relatively important factors for bringing change in any organization, so we come to the assumption that the role of leadership is central for the organizational change and innovation as well. There are

certain specific leadership traits which spur innovation processes in the organization. Our case studies suggested that these traits were the prominent factors behind the generation and implementation of visionary and innovative practices on the respective organizations.

The resulting model is based on the article, literature and case studies which we have studied in depth. The model can be tested and further developed in the future.

3: Theoretical Framework

When we think about the term "Organization" two questions may arise in mind as a first reflection. The first is "What kind of organization"? And the other is "Who is the leader? There may be many factors which can lead an organization towards success or failure, but the role of leadership is also important and crucial in handling organizations.

In these chapters we will define and discuss the characters of our thesis under the light of scientific articles, journals and books. We will discuss the research questions which are mentioned in chapter one, and the related terms, with different angles, in order to give our readers a multi angle view over the topic, and try to keep it simple and well understandable.

3.1 Why vision is important for leadership

In this chapter we will describe and discuss the term "leadership", its characteristics and qualifications. We will discuss the term leadership in detail later in this chapter under the light of scientific definitions, but in our thesis we will use the term "leadership" in the meaning of a Person/Manager/ or Leader who is responsible for organizational matters .

Knowing the fact that leader is a person, anyways, and a person can have multiple qualities and characteristics, we will use the terms "Vision" and "Innovative Approach" as two of those several qualities that a leader can have.

The purpose of this thesis is to investigate effectiveness of leadership on the basis of tow variables, which are "Vision" and "Innovative Approach". This thesis does not deny the importance of other variables/characteristics through which the role and effectiveness of leadership can be investigated.

3.1.1 Vision

The vision is sort of complex term to define and has multidimensional view. Different scholars and researchers describe it in different way. Kouzes takes it as "*an ideal and unique image of future for the common good*" (Kouzes and Posner, 2007). At the other end Jonathan swift states that "*Vision is the art of seeing the invisible*"[1]. To better understand the term vision we quote a lesson which Alice learned in world fame novel "Alice in Wonderland". Alice learned this lesson when she was searching for a way out of Wonderland and came to a fork in the road. "Would you tell me, please, which way I ought to go from here?" she asked the Cheshire Cat. "That depends a good deal on where you want to get to," the cat responded. Alice replied that she really did not much care. The smiling cat told her in no uncertain terms: "Then it doesn't matter which way you go".

[1] http://www.d1mediagroup.com/bisonillustratedv2/s.php?s=38

Knowing where you are going and what is the destination needs a clear vision. Vision can develop motivation, inspiration, and mutual responsibility for success and can provide smart choices to the people because they can make their decisions on the basis of end results which are already in their mind because of their vision (Kotter , 1996). Therefore vision can be taken as an ability or characteristics of a person which can not only make h/her capable to perceive the future in precise and accurate way, but also can increase h/her motivation and sense of responsibility to get this desired future.

3.1.2 Leadership

Leadership and its role are the most concerning issue for the business and organizations now days. The "*Leaders are individuals who establish direction for a working group of individuals and who gain commitment from this group of members to established direction and who then motivate members to achieve the direction's outcomes*" (Conger, 1992, p18). The term leadership can be viewed through multiple angles and concepts. Traditionally leadership is a set of feature owned by the leader or it is a social phenomenon that comes from relationship with groups.

These concepts can give different opinions about the definition of leadership. It is a continuous debate that whether the leadership comes from the personal qualities of a leader or a Leader makes followership through what s/he does or believes (Grint 2004). Grint also highlight position problems with the leadership, which explores, is the leader a person in charge? With the true authority to decide or implement, or it is only a person in front who takes h/her directions for someone. Recent reviews take leadership as "a process whereby an individual influences a group of individuals to achieve a common goal (Northouse 2004). Another view about leadership is that "leadership is like the Abominable Snowman, whose footprints are everywhere but who is nowhere to be seen" (Bennis and Nanus 1985).

In short leadership/leader is either a person who is in charge and has authorities to take decision and also ahs powers to implement his/her decisions or a process having a set of other authoritative process about organizational, personal or social process of influence for which the groups, teams or organizations can do more to increase their ability. The selection of the leader not only depends on the personal characteristics of personal but also on the social and cultural factors along with h/her exposure towards life (Bolden 2010).

3.1.3 The Organizational Leadership

Organizational leadership is not a magic that one person have and other don't have. It is also not all about the ordered by boss and then observed by him that how much these ordered are obeyed. The leadership of an organization is instead, an ability of management to get and protect the company benefits by realizing employees need and company targets and bringing them together to work in a better environment to achieve the common goals (Sansom 1998). Organizational leadership has a central role in evolution and cultivating an organization. It can help the member

of an organization and working teams to face the challenges and to work for organizational goal in a worthy way.

Dunphy and Stace describe an organization leadership as a person who can promote change in an organization by its vision and strategy (Dunphy and Stace 1994 in Senior and Fleming 2006). In this era of rapidly changing business trends and increased customer demands, the role of leadership is more crucial now a days. The strategic leadership is eagerly needed for organizations, which is well capable to predict the essential alterations and changes, in advance and create required commitment and highly suitable atmosphere for worker and teams to understand and adopt these changes successfully. This action by leaders is decisive not only for the effectiveness of the organization but also for its very survival (Bass, 1990; Burke & Cooper, 2004).

As the business goals can't be achieved without adopting any strategic business process, likewise the organizational success and sustainability also can't be accomplished without a strategic role of leaders. From allocation of resources to alignment, from perception of thing to decide future focusing, form commitment and motivating the teams to get the goals of an organization, to confirm the sustainable growth, it's a leadership whose footprints are everywhere (McGuire, 2003).

3.1.4 Visionary Leadership

Leader/Leadership is about leading the organizations and organizational teams to go somewhere. If the leaders and its people don't know where to go, then leadership means nothing. So it is important for leaders to have a clear vision. If we try to put the light on word vision, it may have different pictures and angels.

According to Bennis and Nanus "*vision is a mental image of a possible and desirable future of the organization"* (Bennis & Nanus, 1985, in Lyerly, Maxey 2000, P 48) This mental image grows inside the mind of leaders and depends on the h/her competency to perceive the things accurately and use them intelligently for the betterment and sustainability of an organization. Bennis also describes that there are some practically proven leadership competencies that can affect the performance of an organization, which also includes "vision and goal setting", "interpersonal skills and self knowledge" along with some special characteristics which may be concerned with any specific businesses.

Kotter states that the vision is the ability of a leader to look in to future while aligning the team with that vision, and then make them inspire to get the desired goals concerning that future:

"*Vision is a picture of the future with some implicit or explicit commentary on why people should strive to create that future"* (Kotter, 1996, p 68)

Organizations are based on teams, and dedicated team work is required to make things happen. These people and teams need a clear picture of a future that motivate and inspire them to become

an efficient part of an effort for getting that desired future. It is also important in the way that what the reason of their work and decisions is? It is the vision of a leader that makes it assure that actions and the decisions of organizational team are fit into the actual picture of desired future (Kotter, 1996) Kotter also discuss that without the vision of leaders the motivation level of organization people may go down and their activities become meaningless which can prove worst for an organizations at the later end. He further said that

"*Vision plays a key role in producing useful change by helping to direct, align and inspire actions on the part of large numbers of people. Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time consuming projects that go in the wrong direction or nowhere at all*" (Kotter 1996, p7)

Though Bennis and Kotter, try to highlight the term "Vision" with different angles and describe it in different ways, but it can be easily understood from their claims, that vision is a ability of a leader to predict and perceive future, in a precise and accurate way along with defining the route map that how to get into this future successfully.

While summarizing the debate on leaders vision, a question can arise into minds "it there any leader without vision" the answer is no. Like every human being every leader must has some vision, but vision of two leaders could be different even while managing the same organization or same matter, because the vision is a perception of unseen things. Two leaders may perceive differently. Moreover as we can't say that this leader is innovative or this is not, before we can see h/her action, decisions, steps taken and their results, for a certain matter. Likewise we can't say that this leader is visionary or this is not before seeing the results of his perceptions.

3.2 What is the importance of Innovative approach?

The relation between dreams and the human is as old as the human civilization is. Many people have dreams and ideas for the betterment of themselves and their institutions. But most of these people can't get their dreams in their lives.

The leader is one who may have some dreams and ideas like other people, but also has an ability to turn these dreams and ideas in to reality. This is the basic difference between the dreamer and leaders. Prestwood and Schumann states that "*Leadership is a state of mind not a position*" (Prestwood and Schumann 2002, p1) in this age of uncertainty, organizations and companies may face some unexpected and unwanted circumstances any time. So the need of capable leadership is more than ever now days to sense these unexpected conditions before time and to cope with them by their innovative approach (Prestwood and Schumann 2002)

Imaginations can play an important role to take a competitor advantages in business. The innovative approach of leaders/leadership may lead a company towards a sustainable success and

can better formulate the organizational strategy for desirable future for organization, by using their vision.

The dictionary meaning of word approach is the "ideas or actions intended to deal with a problem or situation" [2] and the term innovation/innovative stands for "Being or producing something like nothing done or experienced or created before"[3] We are referring both these two terms to leadership on the basis to two components.

- Innovative Approach to Leadership: The new, unique and different way to see, understand and handle things (Prestwood and Schumann 2002).
- Leadership for Innovation: Leaders must be capable to promote and cultivate the innovative culture within an organization, by motivating other to bring new ideas and provide a proper infrastructure to convert them into reality (Prestwood and Schumann 2002).

While using the term innovative approach of leader we meant a leadership having the both above mention components as an ability or a mental model of a leader to understand, address or manage a situation in unique or new way to make things happen.

3.2.1 Importance of Vision and Innovative Approach for Leadership

To survive, in this age of global competition, the organizations and businesses have come to realize the need of innovative approach and innovations in their business model and strategies. It is well evident from the recent reports and publications that the companies form different geographical regions and countries spend a considerable amount of money for the purpose of innovation, and the ratio of allocating the funds for innovation is continuously increasing (Hage & Powers1992) For organizations who want excellence and sustainability in their business, need to think about the managers/leaders/leadership with innovative approach in order to develop the business strategy by turning their innovative concepts into reality (Carneiro.A 2008).

Innovation is an art of responding the market and technological challenges and the future trends of business for organizations in most suitable way that can lead organizations towards long term success and sustainability. It is necessary to make the products, services and business model compatible with the potential market demands and customer needs in order to meet the organizational goals and sustainable development (Brenner 1987).

From the beginning of 1980, it is observed that the changes have a significant effect on the business organizations in term of their long term success and sustainability. Therefore the urge of

[2] http://www.answers.com/topic/approach
[3] http://www.thefreedictionary.com/innovative

capable leadership was also observed to handle, manage and implement these changes successfully. The question was raised by the scholars that what kind of leadership is needed for organizations, to cope and handle the situations of more demanding and rapidly changing business trends? Most of such questions were answered by highlighting the role of visionary leadership with innovative approach, as a key component (Bass 1990).

There are different theories presented by the scholars to explain and identify the characteristics of leadership in an organization, in terms of their effectiveness.

Contingency Theory

Fiedler presents the contingency or situational theory of leadership by highlighting the three important factors which has affect on the performance of leaders. Some of them are listed below:

- Leader-Member Relations: It describes that what are the relations between employees and the leader and up to what extent the employees have trust on leader's and how much the leader can attract h/her employees and subordinates and up to what level the leadership is source of inspiration for them.
- Task Structure: This factor talks about the nature of jobs for employees whether they are routine or non routine, in order to manage and get the maximum output of employees work.
- Position Power: The position power is the power of leadership which s/he has in the organization. The leadership with the power of decisions and their implementation is needed to handle and manage the organizational issues with confidence (Fiedler,1996).

Path-Goal Theory

Path Goal theory claims that the most successful leaders are those who keep their employees and subordinates motivated defining and making the path of work clear to them through their clear vision. The main characteristics of a leadership according to this theory are to motivate their teams to meet the organizations goals by keeping control on the outcome of their work and activities. Leaders also appreciate the employees and give rewards on their good work, and to raise and maintain the enthusiasm by giving them confidence about their ability as well as to work (House 1971).

Managerial Grid Theory

Robert R. Blake and Anne Adams elaborated the theory of leadership grid. This theory describes the concern of leadership with the customers demand based production by focusing the better management of teams by leadership styles. This approach may be difficult to implement in certain circumstances. In the theory leaders keep their teams motivated and flexible to realize the need of change and accept it (Blake R and Anne Adams 1991).

Leaders Style Theory

This model highlights the urge of high quality decisions in organizations, which are well acceptable for both employees and leaders. In this model different ways are described for leaders to make appropriate decisions. This model also guides leaders in finding the level to which the employees can be the part of the decision making processes (Vroom and Yetton 1973).

Transformational Leadership theory

The transformational leadership means when leader transforms, or changes, h/her subordinates in three significant ways. These ways may lead to win the trust of subordinates for leaders. That can increase the output of their work and doing job activities which can help to achieve the organizational goals in better ways. Some main characteristics of transformational leaders are that they increase the employee's confidence and awareness so they can enhance their performance, and also make them able to understand their personal outgrowth and development (Burns 2003).
The transformational leadership also increases the level of dedication and motivation for employees to work for the betterment of organization in spite of their personal interest.

The qualities of transformational leadership may include:

- Ability to work as change agents
- Courage to take bold steps.
- Ability to trust on others.
- Value driven characteristics.
- Good learning abilities.
- Strong mental model to work in complex situation.
- A clear vision

From the above debate it can be seen that different scholars and researchers put the light on characteristics of leadership from different angles. There may be some difference in opinions and approaches to analyze these characteristics but all the authors agree on the point that the leaders must have some qualities to become effective leaders.

Innovative approach of leaders can helpful to foster the growth of innovative culture within an organization which at the later end can leads innovations for that organization. But the question is what kind of innovation has not been be fitted for the organization and what is the desired format of innovation that can be proved worth for that organization? For this, the visionary leadership is needed along with the innovative approach. Like only innovative approach is not sufficient, vision is also needed, likewise only vision is also not sufficient for leadership for the development and the sustainability of an organization. Vision is only 10 % and the rest is its implementation (Jick, 2001) It is good for leadership to have a clear vision, but how to achieve that vision. Five common qualities are discussed in literature for the leadership which can prove more beneficial for the firms, if the leadership has these qualities along with their vision:

(a) Formulate strategies and plans to achieve their visions (Bass 1985).

(b) Communicate their visions to promote changes and widen support of the visions (Bass, 1985).
(c) Align people and supporting systems to suit their visions to make it sure that there will be no procedural and structural hurdles in the way of achieving vision, and provide the good atmosphere to employees to work with dedication to make the vision in to reality (Nanus 1992).
(d) Empower their people to act consistently with the new vision and help sustain commitment to it In order to get their maximum work output and let them work confidently for achieving the organizational goals. (Nanus 1992)
(e) Motivate their followers so that they work by using their maximum abilities and complete the allocated tasks within the given time (Bass 1985).

All above mentioned attributes refers the leadership to have an innovative approach in there, thinking, decisions and strategies. It can be assumed form the discussion that the leadership with innovative and visionary approach along with other characteristics can prove more beneficial for organizations, for the purpose of success, development and sustainability (Gesell 2010).

By summarizing the debate, though we still stick with our claim that the qualities of appropriate vision and innovative approach may lead a leader to be more effective and capable to run an organizational and better cope with organizational matters, but we also agree that there are other qualities of leadership which can play an important role in dealing with organizational matters. The literature we have read and explored on the topic also mentions that there are the other importance qualifications and factors for leadership which are prominent. Moreover the implication of environmental, social, financial, and unexpected situations can't be denied while taking big decisions or initiating the process of change for organization.

3.3 Why is change needed for organizations?

Many researchers and scholars talk about the importance of organizational change in different way. Some say's it is good for successful business and sustainability, some say's change can give a competitive edge in this era of high competitions, and some clam that changes are necessary for survival. We will discuss it in detail later in this chapter.

Our research area is to investigate the relationship between successful organizational change and the role of leadership on basis of h/her two characteristics/variables, which we already discussed in above chapter. Before going to explore and establish this relationship it will be better to discuss that "why should organizations go for change"? In this chapter we will discuss organization, why change is needed in fact for organizations, what its significance is? And what a leader can do to bring a successful organizational change.

The simplest definition of successful organizational change is the organizational change which gets its goals and targets successfully on which the change initiation process is based

(Orlikowski 1996) our definition is the same, while we use the term successful organizational change in our thesis. The level of organizational change and the kind of organizations that take an initiation to implement the change is not the concern of this thesis.

3.3.1 The Organization

The term organization is a very broad term and can be described in multiple ways. Traditionally an organization is intentionally designed social unit that consists of a team or a group of people that work together for the benefits of an organization on a continuous basis to get the organizational targets and goals. For example the manufacturing and service firms are organizations, and so are schools, hospitals, churches, military units, retail stores, police departments, volunteer organizations, start-ups, and local, state and federal government agencies (Hatch 1997).

Organizations can be located in the public sector or in the private sector, they can be unionized or not, they can be publicly traded or they can be privately held. If they are publicly traded, senior managers typically are responsible to a board of directors, which may or may not take an active role in, how the firm is running. The managers themselves may or may not own shares of the firm. If the firm is privately held, it may be run by the owners or the manager's report to the owners. Firms can also operate in the profit or the non-profit sector (Robin & Langton 2010).

Senior and Fleming describes organization as a combination of individuals, people or groups trying to influence others to achieve certain objectives by using different processes and technologies in a structured way. They May consists of social arrangements of certain groups in a formal way to achieve certain objectives and having well defined boundaries and limitations (Senior & Fleming 2006).

So the organizations can be taken as group of people, team or social entities that are structured, goal directed and to work for a common task by sharing and coordinating their knowledge, skills experiences and activities.

3.3.2 Change

The word change is taken as a result normally. A simple definition of change in the Sansom and Reid Oxford children's Dictionary (1994:195) defines the change as to become a different. Van der Merwe tells that the word change is obtained from the Latin word to better (Van der Merwe 1991).

In general the word change means is to alter, to make something different or better or transformation of any existing thing by adding some values or giving up for something else. The change is usually planned and there are some responses against changes. The respondent thinks first that what has to change and what have to give up. Most authors think that respondents more concentrate on what have to give up rather than what has to gain because the giving up is more

curtail. Different types of recourses are used/and or can be used to bring changes according to the nature and environment. Changes are always adopted for the good reasons and the subject of interest is always the outcome of the effort.

Change may be any action or set of actions having some directions to do something new or to amend something. Changes always require commitment and directions. Change is not always positive but there are several ways which strengthen the commitment to happen the certain types of changes (Boston.MA, 2000).

3.3.3 The Organizational Change

Organizational changes mean that organizations are undergoing / and or undergone transformation. It may be define their success story or any type of experience or failure (Hage, 1999). The organizational change is the set of different actions that results shifting in directions and/or processes that affect the way in which organizations work before (Hage, 1999). The need for organizational change starts when organizational management feels dissatisfaction from the current situation. Organizational changes may be planned or unplanned but in both cases the organizational changes are very important and sometimes become crucial to handle the changes. Leadership planning and vision is most important.

The planned changes are more related to the management in which management put deliberate effort to make something happen. Strong commitment and systematic approach is required in planned change and the most important thing in planned changes are based on the vision of leader and stated objectives. Changes may affect the strategies, tasks, or factions within the organizations.

There are different kinds of changes according to the nature of organization and its environment, some organizations adopts small changes (incremental changes) while others may go deep towards the organizational transformation usually known as corporate transformations (radical changes) which requires the changes in broader scale and are difficult to handle. (Boston.MA, 2000) There are further three phases of organizational change which organizations usually adopt. These are unfreezing, moving and refreezing. (Senior & Fleming, 2006) Unfreezing is about changing the attitudes and behavior of the employees and working environment. This is very important type of change because while going through any type of change it is important to create a need of change among all the participants.

The leader's role is also very important in unfreezing because it requires a well structured way of implementation the change by managing the behavior and attitudes of people working together. It also requires strong commitment of all the people to work together for a stated common vision. Moving is the next phase in which organizational top management identifies, plan, and implement the appropriate strategies. In this phase it is also decided that either organization has to go for incremental or radical changes. The vision of the leader is also very important for

planning and implementing the strategies. All the strategies are shaped in the moving phase. The next step is to refreeze the change situation in which leader assists in stabilizing the changes so that it becomes integrated into status quo. This is most important to understand for the leaders that how to refreeze the changes because if refreezing is incomplete or not mange properly the change will be ineffective and the pre-change behaviors will be resumed. Refreezing always encourages the possibilities of the further changes.

The leadership qualities are very important for organizational changes because it is most important to handle the resistance, confusion, exploration and commitment of management. There are some predictable behaviors associated with the change stages and the effective leader always perceive these changes in efficient manner and respond appropriately to get the teams commitment. Change leader is always associated with the planned change and constructively deals with the human emotions (Senior & Fleming, 2006).

The organizational change in brief, is an intentional effort made by organization leader/leadership/manager to take the organization towards betterment. There could be many reasons or motivations behind the change process, including external or internal pressures for change, technological, social or economical factors. Moreover the vision of an organizational leader/leadership and its innovative ideas can also be reason behind the organizational change process.

3.3.4 Importance of organizational change

In order to improve the internal and external functionality the organizations need changes and it is the demand of time (Caetano, 1999). An organization that does not adopt changes cannot survive long in market (Boston.MA, 2000*)*.Organizational changes provide different significant benefits e.g. it improves competitiveness, improves financial performance, enhances employees and customer satisfaction and most important is that it leads organization towards continuous improvement and sustainability. These are organizational benefits and not every individual in any organization can get benefits personally from these changes but every individual working in an organization, usually have common goals and objectives and these changes made the organization as a whole stronger (Boston.MA, 2000).

The change process is very challenging and important for organizations and can lead an organization towards a path of success. It can also make them capable to meet future demands and to compete with other market player in effective way. (Robbins, 1999) Ulrich also highlight that change for organizations is necessary to deal with the diversities and the complex market situations (Ulrich, 1998). There are different forces that influence organization for change and these forces may create expectations of improved efficiency and better services, usually external forces leads towards innovation. When organizational changes are well planned and carried in a structured way it leads to continuous improvement and organizational innovation (Boston.MA, 2000).

Organizational change process must be managed in order to keep organizations moving toward organizational new vision and its stated goals and objectives (Boston.MA, 2000). Nowadays business trends are changing rapidly and quickly in the globe and the organizations that don't change cannot survive (Hage, 1999). Now organizations are facing both internal and external forces pressure that makes change inevitable. There is always a pressure on organizations to balance these forces (Senior & Fleming, 2006). It is also very important for the organization to manage the demands and expectations of the customers, employees and management; therefore there is always a need for change to meet these expectations.

We can see in the above debate that organizational changes are necessary to stay in the business. It's an era of high competition and ever changing technologies and global trends. To respond these changes accordingly and to remain compatible with them it is good for organizations to understand, adopt and implement changes. It is the need of the time, to become successful in business and get the level of sustainability.

3.3.5 Organizational Change and Organizational Innovation

In today's technology oriented world, the rules for the development and success in business are changed exponentially. Organizations need to change and innovate in the response of changing environment. Organizational innovation needs to identify the new ways to deal with the things, which may lead an organization to provide a collective resource for innovation (Vadim Koteliikov, 2004).

Innovation in simple words can be defined as to change in ways of doing things in order to create useful new stuff (McKeown, 2008). It can also be viewed as change in product or services that involves the evolution of features and capabilities as well as the introduction of "new-to-the-world" (Benner & Tushman, 2003).

The term innovation has been investigated through multiple angles and aspects by the researchers including technology, economic, social global and political environments, customers and market trends, organization culture, behavior and organizational change and there is a wide range of approaches through which the phenomena of innovation can be viewed from the organizational point of view (Fagerberg et al, 2004). The innovation can be referred as the growth and the improved performance of an organization, which can lead an organization towards a sustainable success. Linking the organizational innovation to organizational change in their article "*Nurturing Organizational Innovation During Change"* Khazanchi, Slay and Rothenberg claims that organizational change may lead to organizational innovation as the successful organizational change increase the level of personal creativity of an organization which is a key factor which can become a base of organizational innovation (Khazanchi, Slay and Rothenberg, 2006).

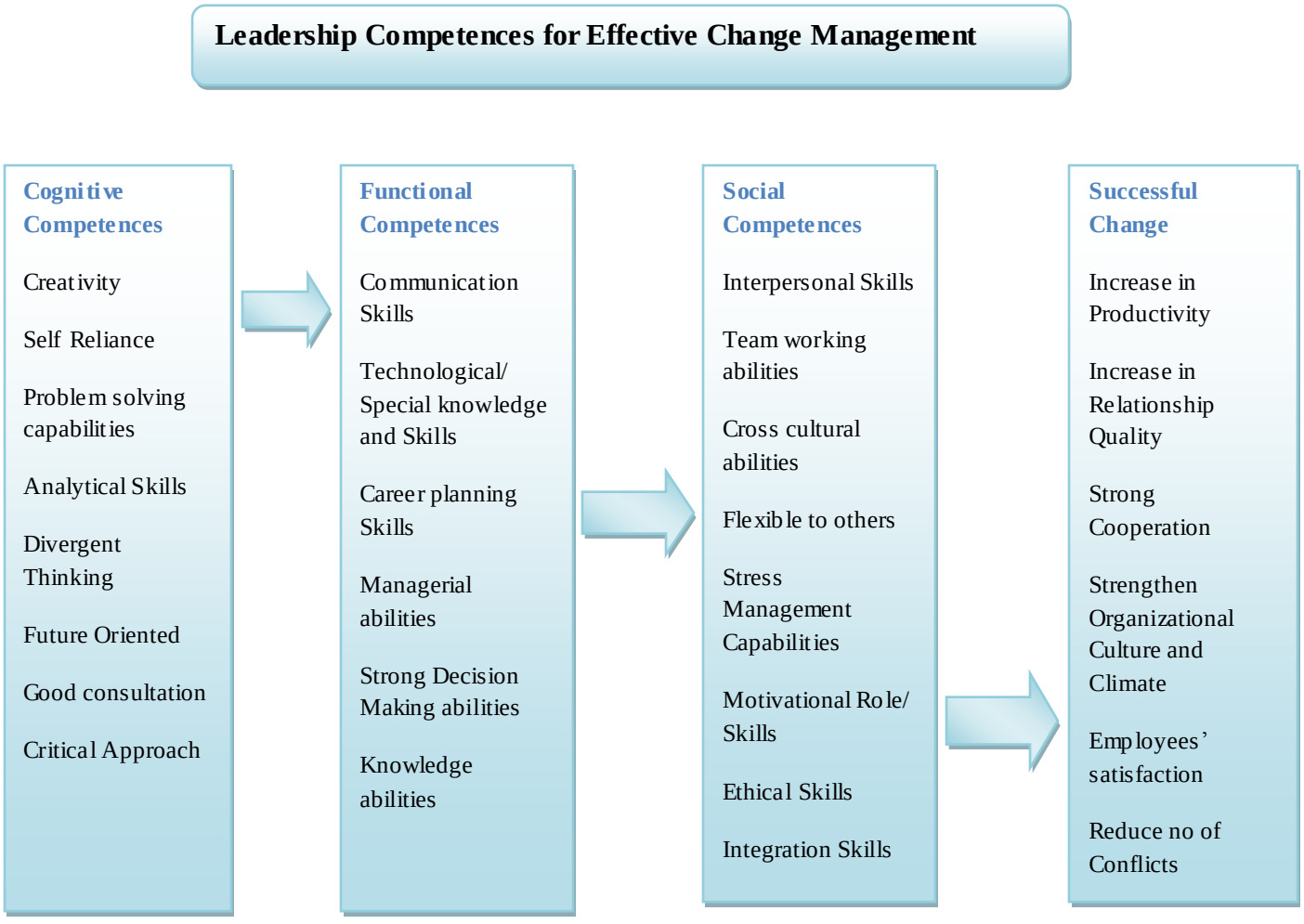
In his research report "*Organizational Innovation in European Frims"*. Coriat claims that successful organizational change may increase the degree of flexibility and performance of an organization which may lead an organization to the path of continual improvement and

innovation (Coriat 2000). Hage describe the same thing from a different angle and describes that successful organizational change indicates the enhanced learning capabilities of an organization which may lead an organization towards innovation (Hage 1999).

There are a lot of factors which are important and can be linked with the organizational innovation. It cannot be claimed at the point that organizational innovation is a result of any single factor. It can be involved with the combination of different factors which can be the reason of organization to innovate.

3.3.6 Role of Leadership in Organizational Change

Most of the organizations agree now a days that effective leadership is one of the most important contributors to the overall organizational performance and change. Intelligent leaders are those who have a store of skills and knowledge gained from experience that allows them to manage effectively and efficiently the tasks of daily life. Effective leadership is always required to bring effective changes (Kennedy, 2000). Brookfield highlight the importance of culture while addressing the issue of organizational change, he mentions some roadblocks which can affect the change management efforts, which include the secrecy culture, the individualism culture and silence culture (Brookfield, 1995). The competent leadership can handle and manage such problems. According to Gruban (2003) the competence is an ability to manage knowledge and other skills and capabilities.



(Pagon. M, Banutai .B & Bizjak, 2008, p 4)

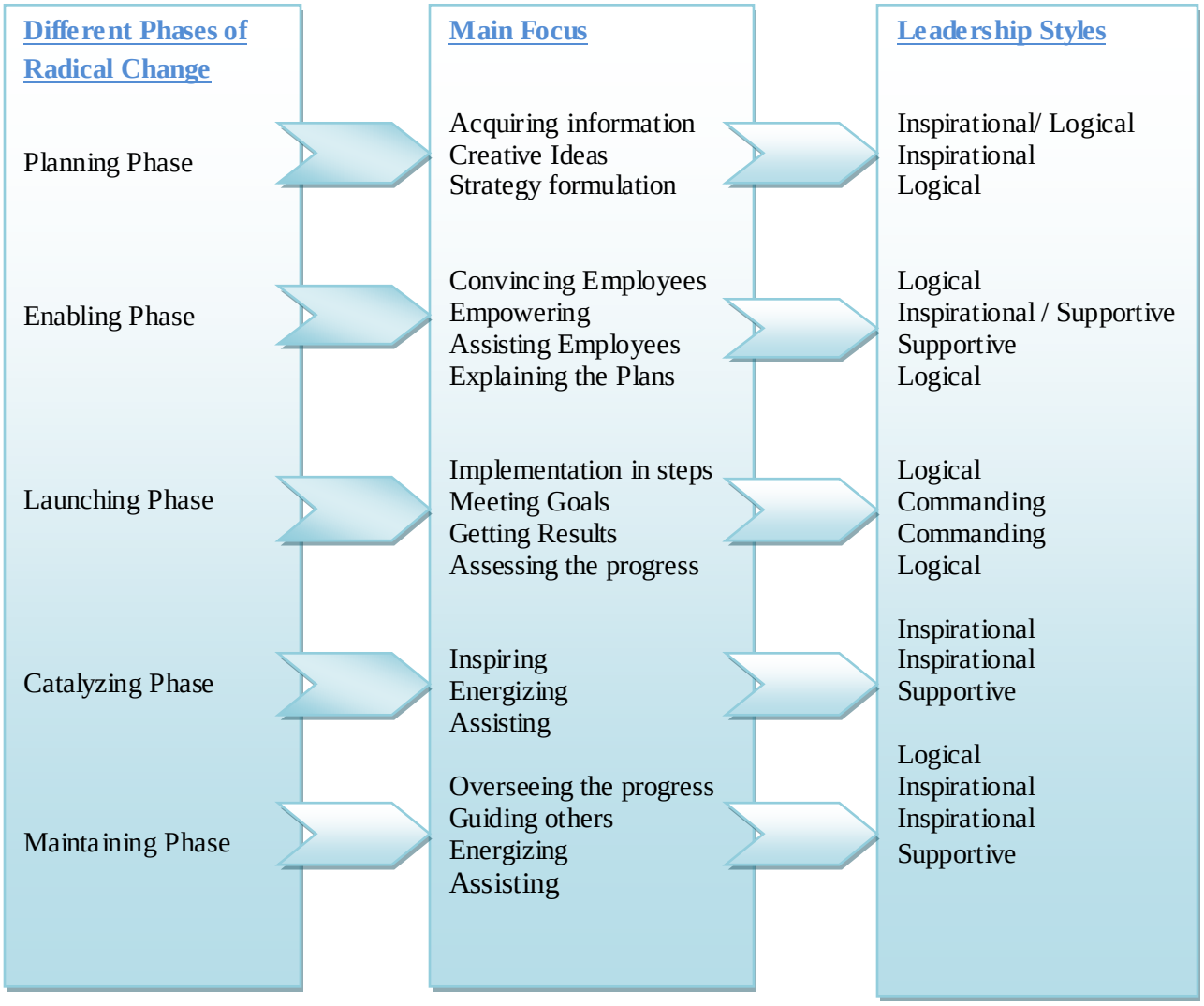
There are some leadership competences that have been proven and are mandatory for effective and successful leadership (Bennis, 1987). There are different competences which are very effective for leaders and which also have connection with the successful organizational change.

Virtanen highlights some competencies of leaders and relates them to successful organizational change in his model of leader competencies (Virtanen, 2000). The table above highlights the role of leadership and h/her competencies with successful organizational change. The table also defines that these are the most important capabilities and competences which are helpful and useful for organizational changes. According to the different authors the leadership competences are strongly connected with the successful organizational change, "the leadership competences have a great relation with the organizational success and change" (Gruban 2003).

It is evident from the literature that initiating and coordinating change always requires well developed leadership skills. This is also true that any change process mostly face the certain level of resistances, the effective leader is one who can manage the resistance and implement successful changes. Recognizing, addressing and overcoming the resistance is always lengthy and not an easy process. People resist changes and especially they resist most to radical changes and it is only the leader's ability to overcome. A strong leader is required to solve the problem as the physician is required to solve medical problem (Heifetz 1997).

Incremental changes often do not require the formal launch because they are introduced in small doses. These are normally easy to handle and adopt and are non resistible by the employees and are normally for a limited time period, and people working in organization are usually familiar with these kinds of changes. Radical changes at the other end are difficult to adopt and also have more resistance, which requires more than mere leadership competences. Radical changes require private acceptance and it is a role of senior leaders to aware people to realize the need of change and therefore to create willingness to relinquish old style of working in favor of new ones (Reardon 1998).

Launching radical changes involves different processes than maintaining it and these requires different leadership style orientations. Unlike incremental changes, the radical changes always require the high level of creative leadership with risk taking attitude. There are different phases of radical change; that can be shown in the table below that will relate the different leadership styles with the different phases of radical changes.



(Reardon, K.K. & Rowe, 1998, p 134)

The different types of leadership qualities are required at different level of change. There are basically four types of leadership styles, Commanding leadership style, Logical leadership style, inspirational leadership style and supportive leadership style. These all leadership styles have strong relation with the development of change (Bennis, 1995).

The above table shows that Logical and Inspirational leaders are more focused on the radical changes and innovations and they have the broader vision. The vision is about actions, vision helps to empower leaders to implement change.

Leadership Styles	Main Focuses on	Persuades By	Makes Changes	Learns By
Commanding	Results	Directing	Rapidly	Doing
Logical	Innovation	Explaining	Carefully	Studying
Inspirational	Opportunities	Creating Trust	Radically	Questioning
Supportive	Facilitating Work	Involvement	Slowly	Listening

(Reardon, K.K. & Rowe, 1998, p 132)

The effective leaders have clear and straight vision about future and the successful change needs to have a clear picture of future. Without vision the successful changes are very difficult. Kotter claims that it is very important for the leaders to communicate the vision (Kotter, 1995). The above table also mentions that the logical leaders are focused on innovation and they communicate the vision by explaining it.

The role of leader/leadership is also very important for developing and managing change in any organization by creating the suitable atmosphere within the organization to adopt change. Organizational culture has also role in development of changes in any organization, and it is the leader who brings new strategies for developing or managing culture. Top management can make the strategies to interconnect people working in organization and its process (Appelbaum, 1998). The culture of organization may include its beliefs and values and may lead organization from conservative to innovative. These are may be unwritten rules, disciplines, and external orientation, and the leadership role may be instructive, consultative or supportive. According to the author the most important leadership role for managing and developing culture is supportive (Appelbaum, 1998).

Leader can also be proves very effective in managing technologies. There are two leadership dimensions to mange technology, these are transactional and transformational. Transactional leadership focuses on technological changes and having technical skills but he gives little attention to people and not much focus on problem solving.

Transformational leadership on the other hand focuses on need of technological changes and also considers the human relation aspects; this type of leadership shows his role as a path finder and communicates his vision by exercising skills. Appelbaum claims this type of leader is more effective for organization to develop change and bring innovation (Appelbaum, 1998). The leader can also motivate the employees by making different strategies, and the best way to motivate employees is reward system.

The organization's ability to motivate individuals toward superior levels of performance is closely related to their reward systems (Appelbaum, 1998). Therefore for strategic organizational change, leader must ascertain that different types of rewards and training programs should be offered. According to the different authors the ideal organizational climate provides the opportunities for independence and sense of responsibilities. And the leadership is one who is responsible to create that environment.

Though the role of a leader is prominent in managing organizations and organizational change process, but the importance of other factors can't be denied. There may many internal and external forces which has a significant role and affect the scenario, while managing organizations. As we talked above that organizational culture is important in organizations and can affect the organizational change process. We profess that role of the leader is limited in creating the organizational culture, in this, the nature of an organization, the geographical region in which an organization is located, the employees and their nature of work are also important. Likewise the changing political, social and technological situations can also affect in the performance of organizations, and organizational change process. The role of leader is very limited while controlling and managing such factors.

3.4 Summary

Globalization has not only converted the world into a small village but also has a great affect on the mindsets of the people. It is the age of rapidly changing business trends, technologies and business environments. Technology maturity makes the customer aware and well informed to the advancements which are made all around the world, in terms of products, services and procedures.

The demand and the expectations of consumers are not only very high towards companies but also changeful. So is better for companies to not only meet the current demands of consumers, but also perceive the future trends and to make them prepare well before time. For the purpose the companies and organizations need to adopt and implement the change in their business model. Organizational change is process which is referred to the intentional effort of a leader who takes an initiative to take the h/her organization towards betterment.

Organizational change can make an organization capable to better respond the future trends, technological changes, social and economical changes, and can also provide a competitor edge in this age of high competitions. Change can also improve the performance of an organization which at the later end may lead organizations towards a long term success and sustainability.

While talking about organizations the leadership and its role are the most concerning issue in managing organizations and organizational change. It is accepted by scholars that organizational leadership has a central role in evolution and cultivating an organization. It can help the member of an organization and working teams to face the challenges and to work for organizational goal in a worthy way. The role of a leader is also very prominent while addressing the change issue for organizations.

The process of organizational change is very demanding and challenging. The strategic leadership is eagerly needed for organizations, which is well capable to predict the essential alterations and changes, in advance and create required commitment and highly suitable atmosphere for worker and teams to understand and adopt these changes successfully.

The leader is a person, anyways, who can have different competencies, capabilities and characteristics. Different scholars present different theories and discuss the characteristics of leadership. They also point out some capabilities of a leader which can make him more effective in managing the organizations. Different leadership styles are also presented by the researchers which a leader can adopt to become more effective in managing organizations and the process of organizational change.

As we know that the organizational change is a challenging process and the successful changes are those which are made by taking future trends into an account. To conclude the process of organizational change with success, some characteristics of a leader are relatively more important.

Organizational change means that leader is leading the organizations and organizational teams to go somewhere. If the leaders and its people don't know where to go, then leadership means nothing and h/she may not get the target of successful organizational change. So it is important for leaders to have a clear vision.

Vision of a leader is one of those several characteristics, which a leader can have to initiate and implement successful organizational change. Vision is an ability of a leader to perceive future and future trends in accurate way. Vision of a leader can also prove helpful to motivate the teams and employees within an organization.

The other important characteristic which a leader can have, regarding to the matter of organizational change, is an innovative approach of a leader. The innovative approach of leaders may lead a company towards a sustainable success and can better formulate the organizational strategy for desirable future for organization.

The innovative approach of a leader can be defined as an ability of a leader to think, decide and act in a new or unique way. This approach of a leader can also promote and cultivate the innovative culture within organizations by motivating other to bring new ideas and provide proper infrastructure to convert these ideas into reality.

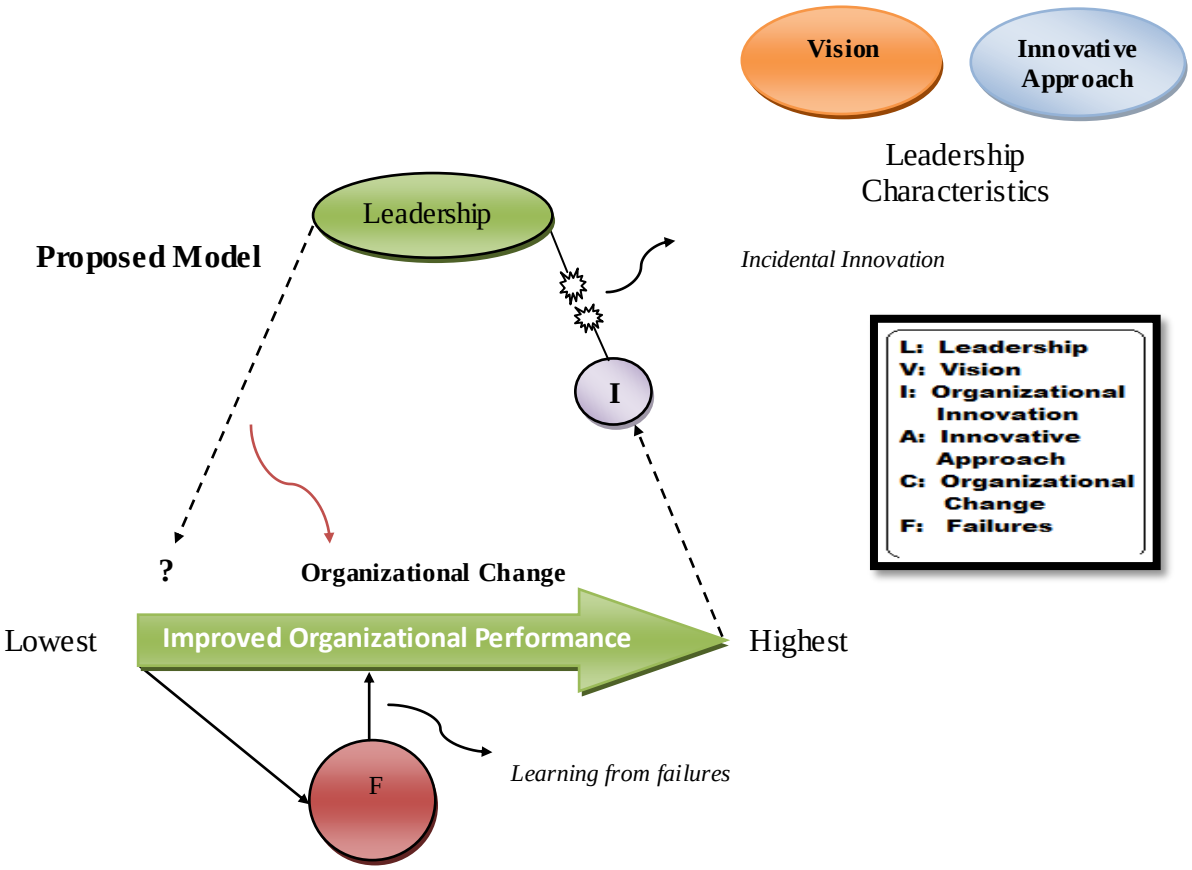
By acknowledging the importance of vision and innovative approach as competencies of leadership it is also true that there are other important characteristics of leadership which has an effect on the effectiveness of leaders while managing organizations and organizational change. Moreover it is also a fact that role of leader is not a single important factor while addressing the process of organizational change. There are several other factors which are important and have an ability to affect the process of organizational change and its results.

Accepting the all limitations it is still believed that leadership has an important role in managing organizations and organizational change and a capable leader along with the characteristics of vision and innovative can make can prove more effective in managing organizations and organizational change process.

4. Introduction of Proposed Model

This thesis is based on explorative studies, as the purpose of research is to explore the relationship between successful organizational change and leadership on the basis of h/her two characteristics.

When we start our thesis, there was an obvious question in our mind that "how we should come to our research question"? And "how should we explore this relationship"? Then we thought to investigate this relation on basis of two things. First, we decide to read, explore and analyze the available literature on the topic, and the second was the case studies. At that time we haven't think that we will purpose any model. During our work, when we completed the sections of literature review and case studies, there come an idea in our mind, that why not to purpose a model on the basis of our perceptions which we made after reading and analyzing the literature. So we decide to give a graphical shape to our perception which was based on findings as a result of our literature review and case studies.



This model is based on perceptions mostly, along with the logic based reasoning, which we made after reading the literature on the related topic. Any scientific, calculated and proven relation between the characters of our model cannot be claimed yet, though our model is well inspired by the analysis of concerned scientific literature and journals. Our model can open new ways for researchers to think further on these lines which may lead them to develop any strong and proven relation between the characters of this model;

With the help of this model we will try to see the phenomena of organizational change with respect to leadership abilities and its role. This is not the concern that what is the type of an organization? Why it is looking for change? Or whether the organization should go for change or not? While designing this model, we assume that an organization is looking for change for the sake of success and sustainability.

We believe in this model that the beginning point is the Leadership or role of Leadership (L) and the destination is successful organizational change with high level of organizational performance, which can further lead to organizational innovation (I). Between these two extreme ends there is a possibility of failure (F) between the successful organizational change and the simple organizational change. This is the general format of our model as a result that, how we look the process of organizational change after reviewing related literature.

We will analyze this model on the basis of two characters of leadership which are "Vision" (V) and "Innovative Approach" (A). Our model is flexible and open for further research. We hope researcher and scholars can make this model more interesting and fruitful by adding and introducing the other characters through which the relationship between the leadership and successful organizational change can be investigated. At the stage we will try to see this model on the basis of four scenarios, along with the case studies and literature review observations. More scenarios can also be introduced in this model by the researchers.

5: Case Studies

When we designed research question for our thesis, we also selected the path that how we will come to our research area and address the actual research question. Along with the literature review on related topic which we chose to theoretically explore the relationship between successful organizational change and the leadership on basis of h/her two characteristics, we also choose case studies as parallel path in order to analyze this relation practically on basis of real time examples. In Analysis chapter we will try to analyze these cases along with proposed model and the claims which we made after literature review.

5.1 Nirala Sweets Pakistan (From Shop to Company)

It was the year 1948 when the entrepreneurial Taj Din migrated from Amritsar (now part of India) to Pakistan. He started a small sweet (traditionally called mithai in Pakistan) shop in Mewa Mandi in (0ld) Lahore, Pakistan. It had the unique taste at that time and became popular among local population of Lahore, so Taj Din decided and opened up a shop in busy area known as Fleming Road in (old) Lahore. At early stage the shop was known as the Taj Din's shop and had not a specific name. But with the passage of time people liked it and choose to call it Nirala (wonderful, uncommon, and rare). After that Taj Din decided to carry on the shop with this name and soon he placed the shop name as Nirala Sweets. Mr. Taj Din can't proceed further and survived only in having a single shop.

Lahore is very advanced and historical city of Pakistan. After 1970 Government took some big steps in the development of Lahore. The city of Lahore can be divided in to tow parts, Old Lahore and New Lahore. In Old Lahore there is a traditional way of life style, with old style houses areas, congested and narrow bazaars and streets. Because of its narrowness people and families with their own vehicles, don't like to shop in old Lahore. In most of the time there is a problem of traffic jams and vehicles parking in the area of old Lahore. Though the bazaars of old Lahore are equipped with every kind of shops and all of the traditional food and sweet shops are located in this area. In new Lahore there is modern life style with most advanced bazaars and shopping malls, with well managed traffic and widener parking lots. New Lahore is considered the area of rich people.

In 1980 Mr. Farooq Ahmed, Taj Din's Son and chairman of the Nirala group (At the moment) came into his father's business and continued his father's mission. Though Mr. Farooq Ahmad was not well educated but still he was an experienced knowledgeable person and learned his business skill from his father. He took some initiatives to grow the business and to compete with competitors in a better way. Though Nirala Sweets shop was doing a good business, but Taj Din's family was not satisfied completely, and there were two reasons behind. Firstly, because all the sweet shops were located in the same region so their market share was limited; even they had a good repute in the fields of sweets. The second reason was that the Taj Din's family was a rich family, there were no such financial problems and they were also experienced in sweets

business, they just want to do more. For the purpose, Mr. Farooq took some unique steps and opened a new branch on Nirala Sweets in a central and the most developed area of the City called Jail road. This was a first sweet shop in the area of new Lahore. He also introduced new fancy and gift packing for sweets very first time in Pakistan. His emphases were on the betterment of the shop in terms of more sale and profitability. That was a good move as it was easy for the people on new Lahore to get access of reputed sweet shop. The sale of Nirala Sweet was increased definitely. Mr Farooq is still the chairman of Nirala Group.

After the scene Mr. Faisal Farooq the son of the Chairman Mr. Farooq Ahmed come to that business and has made the remarkable and big changes in the business and gives the boost to business. He made a chain of Nirala in whole country as well as introduces Nirala internationally. Mr. Faisal Farooq is also CEO of the Nirala group. He completed his MBA from United Kingdom and joins his father's business in very early age of 23. This young man come with appropriate business doing knowledge which he get form the well reputed international level institution. He also has international exposure, as he completed his studies form England. This visionary young man with courageously took the challenge of growing the family business with a new vision and use the dynamic and innovative approach to turn his vision into reality. First of all he made a R&D department by hiring the suitable professionals.

After few months when this R&D department gives its initial research report, he took big steps to expand the business on the basis of this report. He uses the repute of his grandfather name in sweets business and introduces the branches of Nirala Sweets all over the country through franchises. Most reputed professional and advertisement agencies were hired to design the marketing campaign for Nirala Sweets. Surveys were made on different levels, in order to understand the demands and likeliness of customers. Sugar free sweets were introduced very first time in Pakistan to target the diet conscious and diabetic customer.

Realizing the fact that sweets in Pakistan are mostly used on wedding and ceremonies, the contract were made with different banquet halls, Clubs and Party house to provide them sweets on commercial basis. Before this the staff was being hired on the basis of relations with owners of Nirala Sweets. Mr, Faisal introduces the culture of hiring most experienced, skilled and qualified staff. He also designs programms for the training of existing staff. He also introduces the rewards system for the hardworking and dedicated staff.

Now Nirala has 37 branches in different cities within the country. He also took initiative to launch new shops in Dubai, Sharjah and also going to launch in UK and North America very soon. He promotes continuous improvement, innovation, integrity, team work and social responsibility as the core values of the company and changes the vision of the company also. Now the vision of Nirala is "*to make Nirala a global brand, a brand recognizable for its uniqueness and quality in ethnic food market all around the world. In this perspective we*

consider our self as an innovative and a pioneer company, continuously offering unique products and interesting service concepts that others haven't even dreamt of." [4]

Mr. Faisal Farooq made the tremendous changes in the business and now it is known as the Nirala group of companies. The companies are Anmol Company, Nirala Design, Nirala Canada Ltd, Nirala Dairy (Pvt) Ltd, Nirala (UK) Ltd, Taj trading and Nirala (Pvt) Ltd. Now the group is proceeding in the different businesses like dairy processing, packaging, restaurants, snacks and beverages and more. The Nirala (Pvt) Ltd includes different products like Mithai (sweet), snacks and beverages, dairy products and packaging. The products in mithai are regular mithai, sugar-free mithai and special mithai. The products in beverages and snacks are Rabri milk (traditional lahori milk with nuts), Nirala juices named as bouncer, Nirala smosas, Nirala khata'ees, snipz and snacks. The products included in dairy products are desi ghee, milk in tetra pack and Nirala cream.

Mr. Faisal Farooq had a vision to grow the business and he took the initiative courageously and corporate level changes were made in the business. Like any other professional organization the Nirala sweets also follows a well planned and organized organizational structure and formed different departments. These departments are named as administration department, finance and accounting department, human resource department, marketing department, milk procurement department, MIS (Management Information Systems) department, production department, quality assurance department, shop operations department, store & procurement department and distribution & supply department.

This is not enough; yet, Mr. Faisal Farooq also established the largest milk processing and packaging plant in the country. He also took initiative to establish MIS (Management Information Systems) department, now the customer orders different products online and receives at their door step.

This was the first time in the history of Pakistan that a person took initiative from a single sweet shop to the group of companies having different chains within and outside the country. Mr. Faisal Farooq CEO of the group, he had a leadership vision and he took initiative to grow his family business and also succeed. Now Nirala Sweets is one of the renowned companies in Pakistan with more than 500 employees in which about 20 employees in R&D department, and with 2.5 million dollars registered capital.

5.2 MAS Holdings Sri Lanka (The Garments without Guilt)

This case is in fact a story of a family business of Nagindas family in Sir Lanka. Going through a time span of nine decades and facing different ups and downs this case will tell us that how a local textile mill is converted into business of international fame and honor. What are the factors that convinced international buyer to become a customer of Nagindas family?

[4] www.nirala.com

It was the year 1920 when the Indian immigrant Mr. H.A Nagindas started a small textile business unit at Colombo, Sirilanka. Mr. H.A Nagindas was a rich, motivated and passionate person, and always wanted to grow his business. For the purpose he made some efforts by opening some new units in textile factory and hired more staff for operating the units in proper way. He also introduces some more designs in cotton fabrics, but unfortunately he couldn't make any noticeable growth in his business, in spite all of his efforts and dedication.

He gave a thought to his business growth efforts and come to the conclusion, that the reason of not succeeding in business is that, it is difficult for him to manage all the business alone. So he convinced his son Mr. Dayalal to join his family business at just age of 15 when he completed his 8^{th} grade. His son wants to study more but his father doesn't agree and Mr. Dayalal uncourageously joins his father's business. The Nagindas family was well established and rich family. The aim of father was also to give entrepreneurial skills to his son at early stage which he has. Time passed but they were unable to grow their business further. After that Mr. Dayalal was died in 1965 and it was not easy for Mr. Nagindas to manage the business alone. But he was committed to educate his grandson as he always felt guilty, that why he grabbed his son into the business without completing his education.

The time passed and the year 1978 came when Mr. Mahesh Amalean the grandson of Mr. Nagindas joined his grandfather's business at the age of just 23. Mr. Mahesh Amalean was born in year 1955 and completed his "O level" from royal college Sir Lanka. After that he was encouraged by his grandfather to continue his studies. His grandfather believes that it was his great mistake that he convinced his son to join his business at very early stage without completion of his studies, and he don't want to do same again. But he also wished to see his grandson in his business after completion of his study. After that Mr. Mahesh Amalean continued his study and completed Chemical Engineering from Madras (India).

After completion of his studies he joined his family business on his grandfather's request. His two youngest brothers Ajay and Sharad also joined their family business after completion of their studies. Mr. Mahesh Amalean was a passionate person; he always wants to do something different and new but his grandfather always discourages him. There was a continuous cold war between the grandfather and grandson, in terms of business doing strategies and approaches. So Mr. Mahesh feels that it is better to leave his family business. He did so, in 1984, but he was committed to do his own business because he believes that he can do business in a better way. His one brother named sharad also left his family business and these two, brothers started a new garments business in 1984.

They started business from $ 10,000; they bought about 40,000 sewing machines and started a small garments factory with the name of Sigma. Mahesh's wife was educated and took the charge for human resource management, and Ajay's wife took the charge of accounts as she was also educated. After few years his one brother named as Ajay also came into their new business and left his family business, because the grandfather wants to run business in traditional way and

he was well aware of his elder brothers' skills and broad vision, so he decided to do business in his brother's custody. Then they changed the name of their small unit as MAS holdings. The name (MAS) is associated with the name of three brothers Mahesh, Ajay and Sharad. Mr. Mahesh was very motivated and first of all he starts making good relations with local customers and convinces them to buy their products. He starts meeting with customers personally to analyze the current situation and the need of market. He also made his contacts with international buyers buy mailing, them and convincing that MAS holdings can provide quality products on cheaper rates.

Mr. Mahesh was a visionary person and perceives that labor situations in Sri Lanka are getting tough, and it may become tougher in coming years. He wanted to settle this issue well within the time. He decided to practice and experience his new idea, and hired the female labor for the very first time in Sri Lanka, knowing the fact that female in Sri Lanka is very skilled in garments related fields. His intention was to use cheapest and most skilled professionals to work for them. As the time passed they feel a significant growth in their business, which make them motivated and give them courage to take more steps.

Hiring women as workers was not an easy task because the females were not allowed to work and they were restricted from their families. He starts encouraging women to leave their homes and get opportunities to earn money. Further he starts different campaigns with the help of his wife. He stated free residence for women, free dispensaries and medical facilities within the factories, free breakfast and lunch for women working for this small unit. He also takes initiative of small housing colonies for women to live within the factories with their families.

This was more than enough for the poor families so they start thinking of it. As time passed the females from all the country were encouraged and came to work for their units. After some passage of time he started manufacturing Bra for the famous company brand named Victoria secrets. It was a famous company, and this was not easy to start business with this company. He convinces them and made sure that he will meet with their expectations.

The industry was dominated by females and more than 85% and near 90% workers in this unit are still female. The company is still enjoying the sales of about $700 million in only Bra business. MAS have set global apparel industry standards by developing the programme to educate and empower its female workers with the name of "Women go beyond". The founder and chairman of the company Mr. Mahesh want to do something different as corporate social responsibility; it was the first time that any manufacturing company started a campaign to educate the female workers. This includes free education programmes for its female workers, free meals, medical care centers; scholarships for rural areas at where MAS holding's plants were located.

There are now about seven units working in different three countries for manufacturing of Bra for women, and the annual production of Bra is more than $44 million.

MAS still spends about 3 - 4% of its cost for the different employee's development programmes. This is not enough; in 1990's decade the company starts manufacturing sportswear, leisurewear and gents and ladies garments also. The company was doing very well in terms of profitability, growth and development. But the eyes of Mr. Mahesh were on the future concerns and trends. He wanted to improve the image of his company in the modern world. So he decided to take another bold step by taking the environmental issues related to garment factories and workplaces at top priority. He took some solid and big practical steps to make the environment of their workplace better and better.

The company established an eco-manufacturing plant in 2007. Their aim was to reduce carbon emissions. It includes the solar plants which will helpful to provide about 10% of the total electricity required for plant. The factory and building structure was newly introduced and was quite different than usual, and was more environmental friendly according to standards of ISO and EMAS. It was also a unique step and was introduced very first time in Sri Lanka. The MAS holding became pioneers in this eco-manufacturing and achieved best award for it also. They highlight their environmental friendly policies and efforts in their marketing campaign worldwide and name it "The Garments without Guilt". This campaign was highly admired and appreciated in world at different levels.

Efforts that were made to encourage the green manufacturing and to create a good image of the company became highly successful. In the same year The Adidas recognized and announced in annual conference that MAS holding company is its most innovative suppliers, they consider MAS holding not only innovative in product design but also in its management through process of continuous improvement in their culture. The continuous improvement strategy of MAS holdings force the world's famous brands like Marks & Spencer, banana republic, GAP, Speedo, Adidas and Nike to became its buyers. Now the company is moving courageously towards continuous improvement and innovation.

The company has also won the different National and international awards. In the same year of 1997 the company started its new branch in India. MAS holding provide the innovative fashion wear to the people and soon it became the famous brand in India. In the limited time period the company has achieved the best customer excellence award in 2007 in India. The company also won the American Apparel and footwear Association award, this award was given on the excellence of the social responsibilities. The company claims that they make garments with care and consideration by protecting worker's and employee's right. MAS holding also started different programmes that facilities the customers to further educate them, and also personal growth and development programmes, that's why MAS holding claims and call it "garments without guilt".

The MAS holding was the first company in Asia that installed the fully integrated apparel manufacturing software packages. The company has also won the different quality, health and safety awards. Currently the company has about 28 design studios across different five countries

and about 45000 people are employed. The company's focus is on continuous improvement and innovation. In 2008 the MAS fabric division was recognized as most innovative at Femmy Award ceremony, this indicates that the company is continuously focusing on innovation and is doing its best. The company is moving forward speedily and starts first export scale new unit of warp knit fabric mill recently. It provides 200,000 square foot warp knit manufacturing facilities to the company. This unit is started after the joint venture of different companies. MAS holding is comprises of different units such as MAS intimates, MAS Active and MAS Fabrics. The company is currently dealing with the different products such as Bras, knickers, pajamas, athletic wear, swim wear, elastics, hooks, lace and fabrics. The company has 14 plants in Sri Lanka, 4 plants in India, 2 plants in Maldives and 1 plant in Vietnam. The company is also doing different operations in different countries such as US, UK, Mexico, Indonesia and China. The company has currently more than 35000 workers and total of 45000 employees.

The total export from Sri Lanka only is about $2.8 billion and from countries is $62 billion. The last year revenue of MAS holding was about $7,000,000,000. The company has also joint venture with the different other companies such as Limited brand USA, Triumph International Germany, Stretchline Global UK, Brandot International, USA, Noyon Dentelles, France, Textprint S.A, Spain and Prym Intimates PLC, UK. Most recently the company won the globe award for sustainability innovation for year 2010 on 9th march.

The founder and the Chairman of the company Mr. Mahesh had a strong visionary leadership qualities and skills; he started business from a small unit and was highly motivated to grow his business. As results it is a company of world fame now. It was his visionary leadership skills that was helpful for the improvements, changing's and innovation in his business. Taking Mr. Mahesh visionary policies and innovative approach into account, the business magazine ranked 14 to Mr. Mahesh among top 20 Asian progressive leaders. Mr. Mahesh Amalean is very famous in leadership capabilities and skills and due to his contribution to Sri Lankan Industries the Government of Sri Lanka also awarded him the title of Deshamanya. And he is also known as Deshamanya in his country now, and become a famous business man.

6. Analysis

In this chapter we will analyze our finding and give the results. These findings will also be analyzed along with the case studies and proposed model in order to better understand the results

How do the visionary and innovative leadership relates to successful organizational change?

Not long ago, the businesses were based on strategies, and the strategies were made by taking the current and known factor into an account. The focus of the leaders was then towards creating and providing the resources to an organization, so it may run smoothly in present circumstances. The game is changed now, in today's business, where the trends, technologies and circumstances are changing rapidly; the success of an organization depends on the better preparation for future, and the most difficult part in this scenario is to decide for future. The future which is unseen and you don't know about (Hage, 1980). Leaders know and understand the need of change for organizations to survive, change in terms of products, services, work process and business model or any other form, for the betterment and development of an organization. But the question is, to understand the need of change is sufficient? Before elaborating upon this question we will quote a short story from literature reviewed.

Once upon a time the President of Cockroaches went to the President of Grasshoppers to seek a piece of advice on better utilization of cockroaches to achieve improved performance. The President of Grasshoppers promised to take the matter into consideration. After a few weeks, the President of Cockroaches again visited the President of Grasshoppers and asked whether he had given any thought to the problem. The President of Grasshoppers replied that he had indeed given serious thought to the problem and came to the conclusion that all cockroaches should become grasshoppers. The President of Cockroaches thanked the President of Grasshoppers for this excellent bit of advice, asking how the Cockroaches could become Grasshoppers. The President of Grasshoppers answered that his job was to make decisions, and that it was the job of the President of cockroaches to implement those decisions (Sahni 2000).

The story looks funny. But the matter is? Understanding the need of change is not sufficient for managers or leaders. They need to perceive, understand and then suggest the most suitable and desirable form of change. It demands the leaders, to use their competencies, including the power of their vision and then getting the path of successful change implementing by their innovative approach (Bennis 1985).The other angle which we explored the terms "leadership" and "change" is why the organizations go for change. What are the driving forces for change or what is the motivation behind the organizational change? Changes for only change are not acceptable, rather than it has some motivation or driving forces for taking the initiative of organizational change. Exploring the motivation or driving forces for organizational change is not the topic of this thesis.

There could be many driving forces behind the change, including:

- They want to increase their profit.
- They want to compete with competitors in better way.
- Their market is decline and they want to improve.

Of course these may be the good reasons and motivations for taking the initiative of organizational change. But the changes which are made without taking the future aspects, trends and concerns into an account may not get the long term success and prove temporary. These changes may not able to track organizations on the path of sustainable success and innovations (Pagon and Bautai, 2008).

This thesis does not claim that the leadership with, only having the qualities of vision and innovative thinking can make successful organizational change. There are other important characteristics of leadership (as described in chapter 2) which can play an important role, while addressing the issue of organizational change. It is also true that besides the role of leadership there are also other internal and external factors, like the nature of an organization and its culture, environment, both inside and outside an organization, political, technological and global factor, are also there, which matter a lot. Moreover the margin of unpredictable risk is always been there along with all above described factors, which affect the process of organizational change.

While acknowledging and understanding the above mentioned factors, we still believe that visionary leadership with innovative approach can prove very helpful and effective while addressing the issue of organizational change and the changes made by such leadership have greater chances to get the level of successful organizational change.

As we see in the chapter of theoretical framework, most of the authors are agreed that the visionary and innovative leaders may have a greater ability to conclude the process of organizational change with success. And it is because of their accurate perception of future trends, and their unique or new way of managing, thinking and acting.

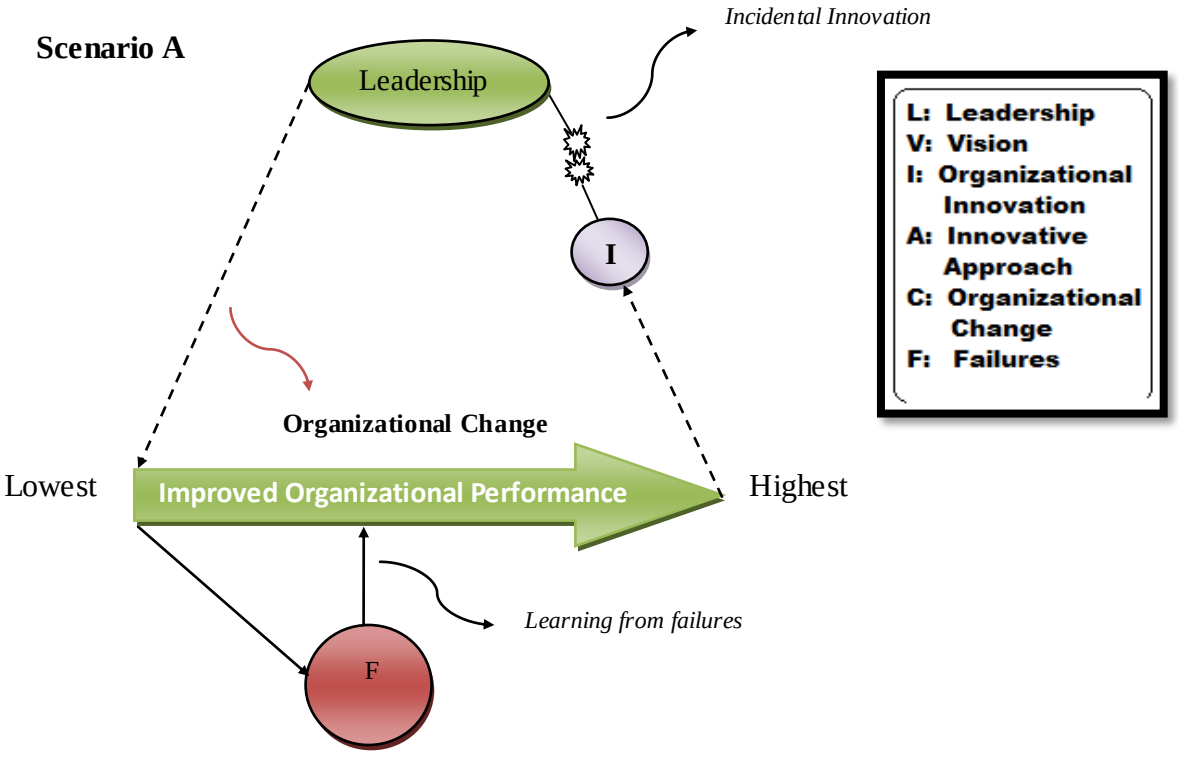
We can also see from the chapter of case studies that how visionary persons come into scene and take their companies towards breakthrough success by their innovative approach and decisions. In order to better describe and present our stance that visionary and innovative leader have profound relations with successful organizational change, we decide to describe our findings of literature review along with case studies and proposed model.

This model describes the four scenarios of organizational change, centering the role of leadership in the change process.

Scenario A

The first scenario (Scenario A) describes organizational change which is initiated by leadership. We will call it simple change process, which is initiated by taking any change driving factor into consideration. We assume that any future prospective or perceptions (vision) are not behind this change, nor this change is based on new ideas or innovative approach.

As we discussed in the previous chapters, leadership has a key role from initiating to implementing organizational changes. (Kotter,1995; Judson, 1991). Kotter also describes eight common reasons of failure of organizational change. The two of these reasons tell that the organizational change may fail or prove less successful if the vision of leaders is underestimated and not clear or if the vision is not communicated with employees or other members of organization (Kotter 1995). In *The ASTD Reference Guide to Workplace Learning and Performance"* Rothwell and Sredi also highlight that changes may not prove to get the considerable level of success if the leadership behind the change process will not think about the generations, future prospects and new ideas (Rothwell and Sredi, 2000). In *Transformational and transactional leadership* Judge, & Piccolo claims that the successful organizational change cannot be achieved if leadership does not have clear vision about future, he also mentioned that communicating this vision with the workers is very important.



On the basis of literature reviewed on the relative area, we hypothesized that the changes which are not based on vision or new ideas can be placed at a point (in our model) where they are considered at the lowest success level where the performance of an organization is not increased significantly.

If we see the first part of MAS Holdings case it is clearly observed that the trail made by Mr. H.A Nagindas to introduce change in his company in order to grow the business, were not much successful. The reason was, these changes were not followed by a clear vision taking future concerns into consideration. More over none of any new idea, in terms of product, procedure or service was introduced by Mr. H.A Nagindas.

The first part of Nirala Sweets case also tells the same story. Mr.Taj Din also wanted to grow his business; he also made some attempts to go towards long term success, as he shifted the location of his shop, with the intention that a widener shop may prove worth to increase his business. It was a good move, but unfortunately, Mr. Taj Din hasn't got any noticeable success from his efforts. If we analyze the cases, it can be seen easily that the change efforts made by Mr. H.A Nagindas and Mr. Taj Din were not sufficient to get any considerable success, because there was a lacking of "Vision" and Innovative Approach" in these efforts. So we believe these changes may end up, with minimal level of improved organizational performance.

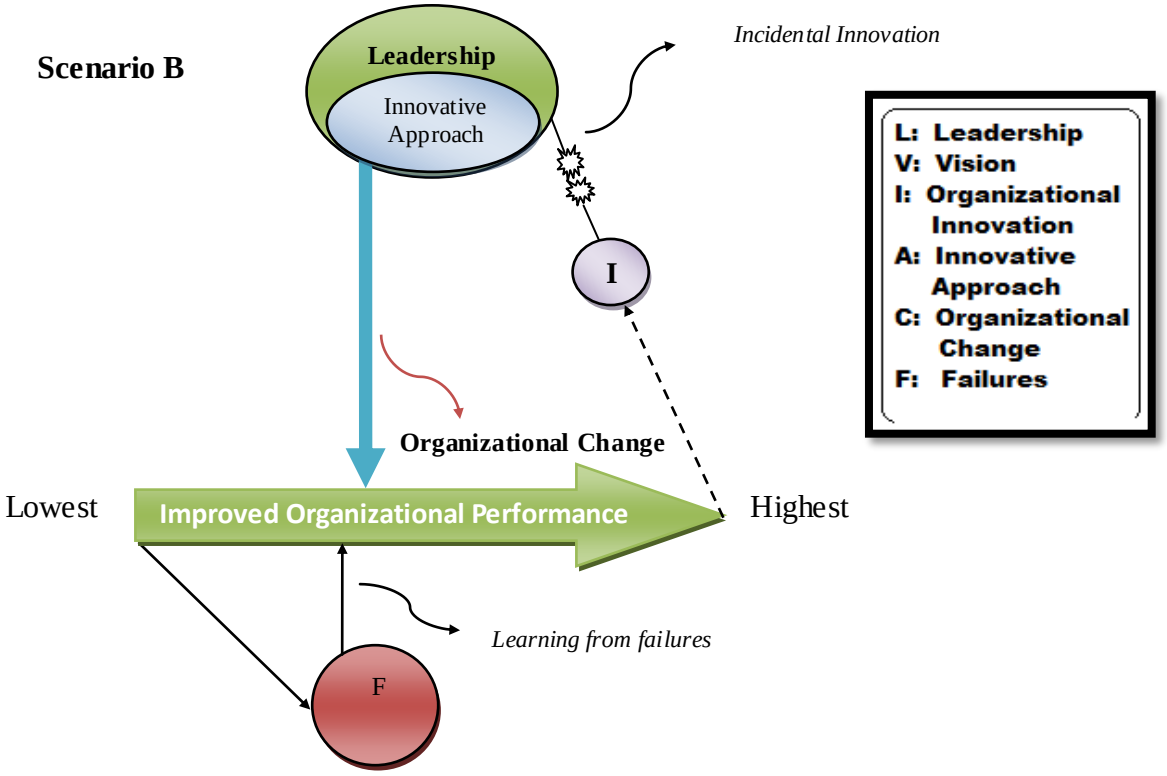
As we can see in the model that such change has a direct connection with failures, though it has also a relation with success and innovation. But there is long way to go, which depends on the other facts factors that may favorably be happen or may not. If we suppose these change efforts ended up with failures (F) still there is a relation between failures (F) and success. Senior and Fleming mention the relationship between failed change efforts and success in their book, *Organizational Change*. They describe that some organizations learn from their failures and by reshaping their policies and strategies, they can still go towards success *(Senior and Fleming, 2006)*.

Scenario B

The second scenario (Scenario B) in the model is about the L (Leadership), A (The innovative approach of Leadership) and the Organizational Change. This scenario illustrates the organizational change which is based on innovative approach of leadership. In their book *Organizational Behavior* Hellriegel and Slodum, mention that along with the other factors, the organizational changes which are introduced by innovative leadership have more chances to become successful changes (Hellriegel and Slocum, 2004). In *Appreciative Inquiyt: An Innovative Process for Organizational Change,* Dlana Whitney and Carol Schau, also describe that leaders need to seek the innovative process for the successful organizational change (Whitney and Schau 1998).

Hage also mention the same thing with different angle, that in order to survive in this era of competition and changing trends, leaders need to use their innovative approach (Hage & Powers, 1992). Besides the fact that innovative thinking of leaders can increase the chances of success, it is also fact innovation is always a risky process, because you are going to implement and practice the things which are not investigated before (Berglund 2007). Therefore the relation between such steps/ changes and failure is also there. In this case, we believe, that the leader may have any new idea about product, services, process and work procedures or h/she want to do the things in nontraditional or new ways which h/she already defined his mind.

In this scenario the innovative approach of a leader can be the driving force for organizational change itself alone, or along with other factors.



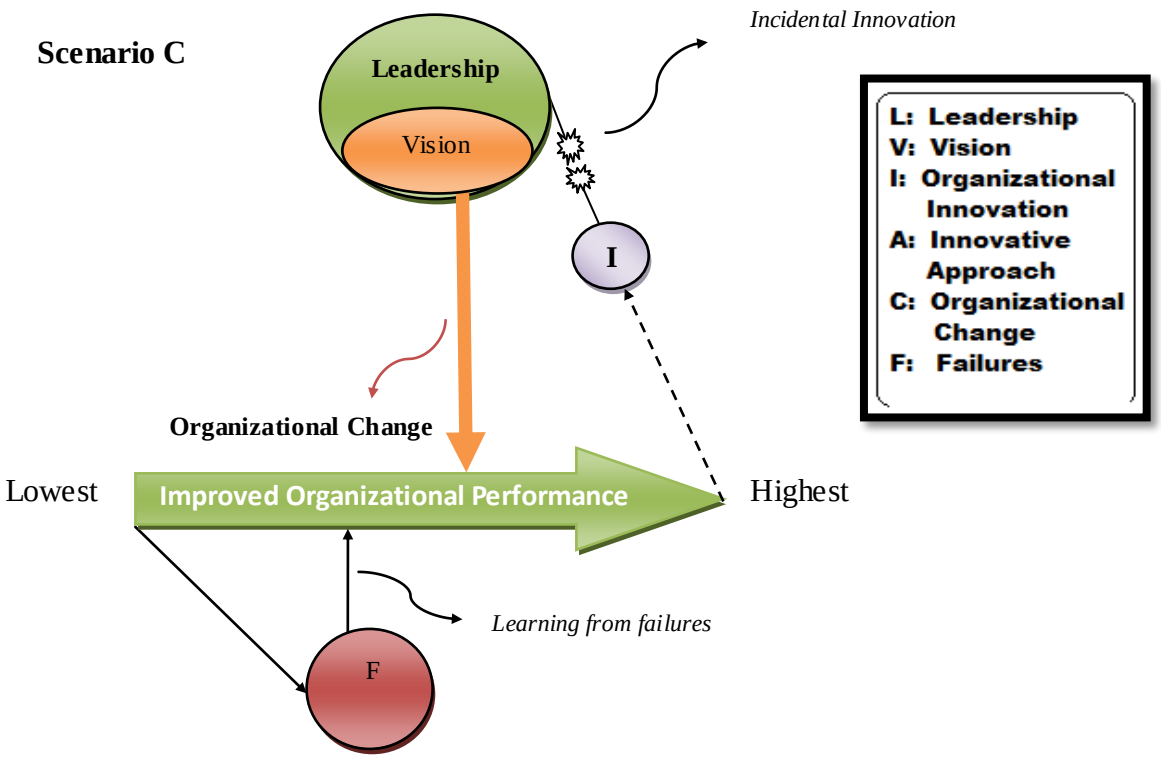
If we see the second part of Nirala Sweets case we can observe that the changes made by Mr. Farooq, were based on his innovative thinking up to some extent. Though he has not any clear vision to follow and do not has the picture of Nirala Sweets future, according to the future trends.

The changes made by Mr. Farooq, take the Nirala Sweet to the people of new Lahore and Nirala Sweets was the first sweet shop in the advanced shopping malls of new Lahore. This change increases the business of Nirala Sweets, because now Nirala Sweets were easily acessable for people of new Lahore, who always wanted to have these sweets. The fancy gift packing of sweets was also a new concept, which was welcomed by the consumers, as now they can present sweet to their family and friends as a gift.

On the basis of literature reviewed we hypothesized the position of such change can be placed, where it has a indirect connection with failure but has more strong relation with success and the high level of performance, with respect to Scenario A. Such change can be ranked as a partial or middle success, at their first output. But still there is a distance to cover, to get the position of success and innovation. It is also a fact that in any organizational change process, there are many other factors, like social, economical, political issues, domestic and global factors, internal, external and environmental forces also matter a lot and can change the results (Senior and Fleming 2006).

Scenario C

The third scenario (Scenario C) in the model is about the L (Leadership), V (The Vision of Leadership) and the Organizational Change. This scenario talks about the organizational change which is based on the vision of leadership. On the basis of literature reviewed we believe, that organizational changes which are based on leader's vision may concluded with higher level of success. Bennis describes that there are some practically proven leadership competencies that can affect the performance of an organization, and organizational change, which also includes "vision and goal setting" (Bennis & Nanus, 1985). Kotter claims that the vision is the ability of a leader to look in to future while aligning the team with that vision, and then make them inspire to get the desired goals concerning that future (Kotter, 1996). Bass also highlight the significance of vision of a leader while addressing the issue of organizational change by claiming that there is strong relation between the leader's effectiveness for organizational change and its vision (Bass 1990).



Authors also discuss the down side of vision based decisions and describe that vision is human perception of future; there are possibilities to misperceive the future. So we can say if the changes are made on the basis of leader's vision there is a possibility that these organizational changes prove unsuccessful (Blake and Mouton 1978). In this scenario the driving force for organizational change is leader vision with or without other driving forces.

If we analyze the initial steps taken by Mr. Mahesh in the case of MAS Holdings Sri Lanka, we can see that the steps taken and changes made by Mr. Mahesh were based on his vision. He not only wanted to do well in the domestic markets but also wanted to introduce MAS holdings to international market. He perceived the future and future treads and takes steps to meet that requirements and the result was a significant boost in their business in terms of profitability, repute and exposure.

The initial steps taken by Mr. Faisal in Nirala Sweets case also highlight his visionary capabilities. He was seeing Nirala Sweets as a company not a single shop. The initial steps taken and changes made by Mr. Faisal in first phase, also give a significant boost to their business, which motivate him to take more steps to get his vision.

In this case, we hypothesize that, such changes can be positioned in our model where they have higher chances to achieve the level of full success and their relation with success is much strong as compared to Scenario A. With respect to Scenario B there is not much difference in terms of success but still these changes are a step ahead. There relation with failure is still there though this relation is weak and indirect.

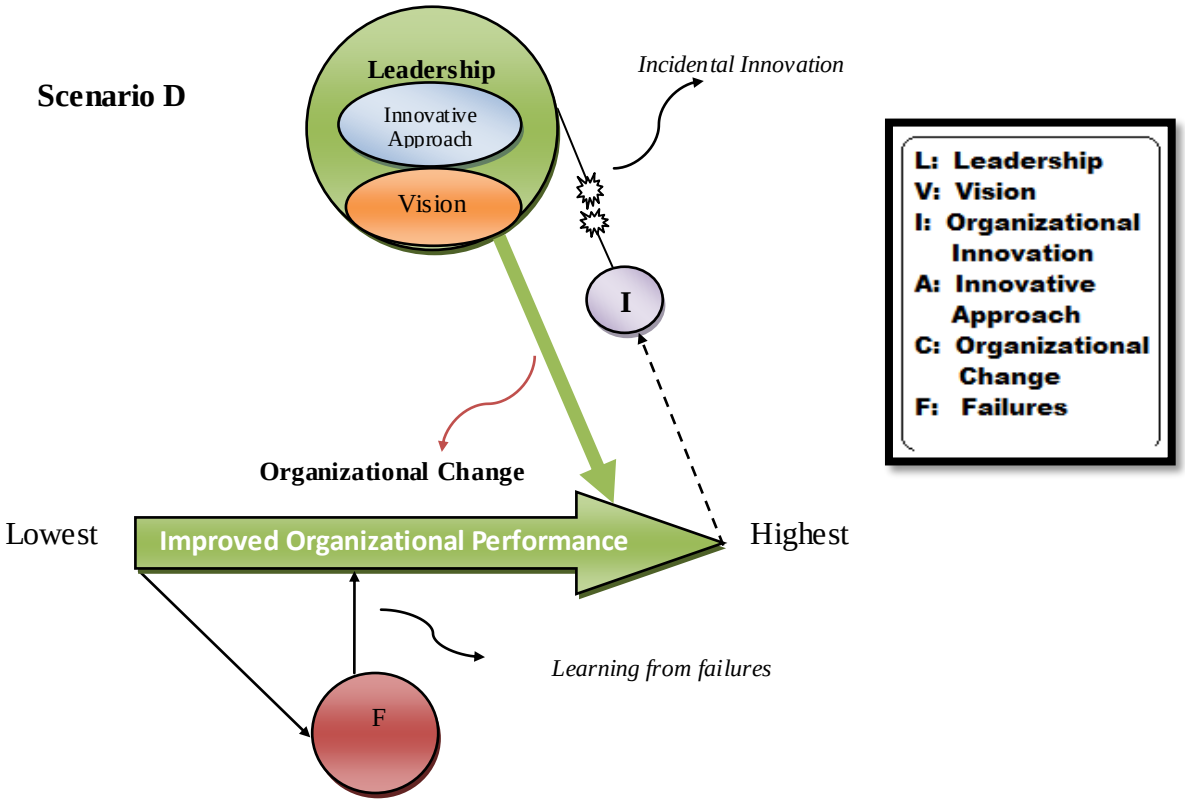
Scenario D

The forth scenario (Scenario D) in the model is about the L (Leadership), V (The Vision of Leadership), A (Innovative Approach of Leadership) and Organizational change. This scenario talks about the organizational change which is based on the vision of leadership, and h/her innovative approach to get this vision and this scenario addresses our actual research question, that how does a visionary and innovative leadership has a profound relation with successful organizational change.

On the basis of our findings after reviewing literature, we believe that organizational change which is based on appropriate vision of a leader, and then followed by an innovative approach of a leader to get this vision has a profound relation with success. Carneiro describe that organizations who want excellence need to think about innovative leaders (Carneiro 2008) Brenner also highlight that in order to meet the organizational goals, leaders have to consider the future trends and leader can perceive future trends by their vision (Brenner 1987). Near to Bass the visionary and innovative leadership is a key to manage the organizations in these rapidly changing trends and situations (Bass 1990). In transformational leadership theory Burns mentions that a clear vision of leader can play a vital role while addressing the issue of organizational change (Burns 1978).

If we analyze the case of MAS Holdings, we can see that the changes and steps made by Mr. Mahesh were based on his broad vision. He perceive the issue of hiring skilled worker is getting tough in Sri Lanka, in terms of their availability and wages, and it may get worst in future, so he start hiring women on low wages. He starts making terms with international buyer, understanding the domestic market problems. He was seeing MAS Holdings as an international

firm besides selling garments to only local market. Having an eye on future he perceive that environment is a field of interest for modern world, so he start marketing products as "garments without guilt" which means that MAS Holding is manufacturing garments in a environmental friendly way by taking a good care of environment. He not only perceives the future in an accurate way but also took innovative steps to get entered in this future in a successful way. And as a result he successfully converted a local garment factory into highly trustable and reputed international firm.



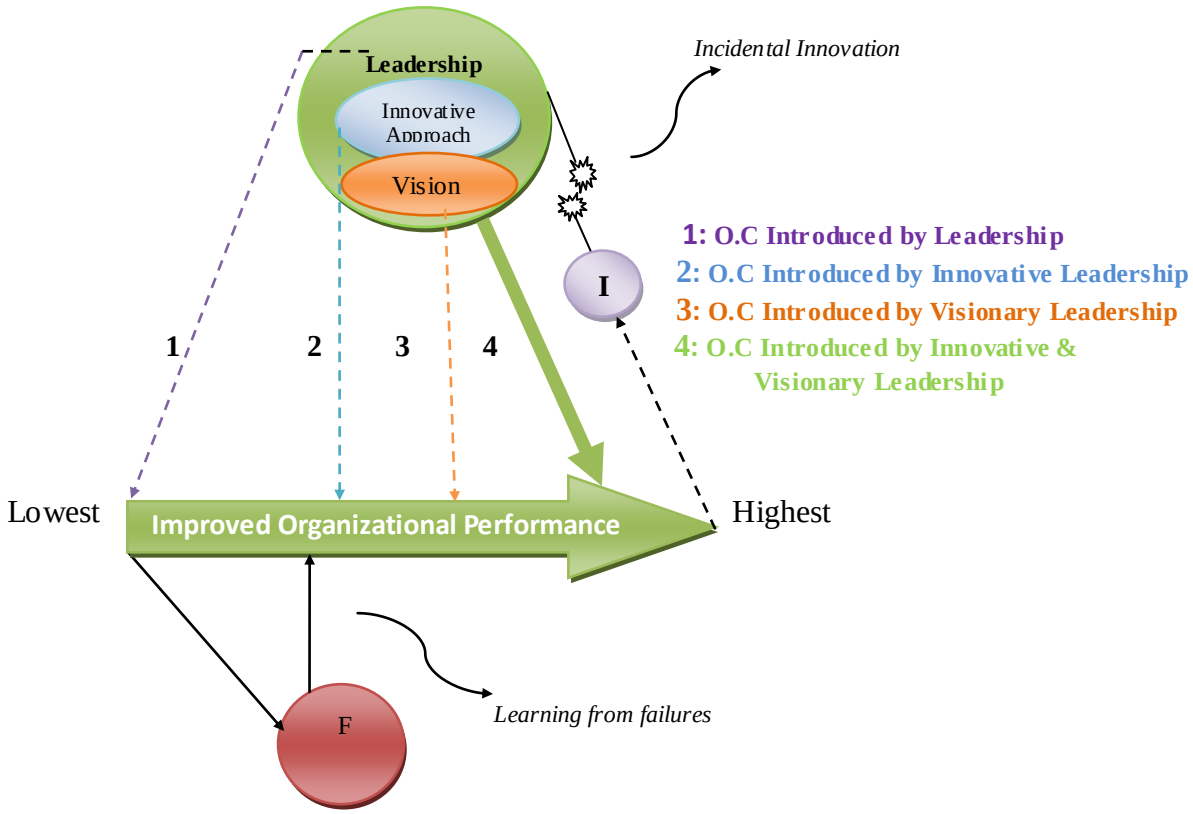
The case of Nirala Sweets is not much different in terms of success and growth as compared to MAS Holdings case. The changes made by Mr. Faisal were based on his vision. He was seeing Nirala Sweets as a sweets company not a single shop. The steps he took like making R&D department first of all, introducing new sweets items, including diet sweets as he perceive that the health concerns of people are getting increased, while using sweets product specially. He also uses the repute of his grandfather name in sweets business very cleverly and took advantage by expanding his business by offering franchises. There was an innovative approach of Mr. Faisal followed by his vision to get this vision successfully. Making surveys of different levels to understand customer's preference, designing advertising campaigns by hiring suitable professionals, making contracts with party halls were his innovative steps aligned by his vision. As a result he successfully converted a single sweet shop into a multinational sweets company.

On the basis of literature review, we hypothesized that the organizational change which is based on leader vision and h/her innovative approach can be placed in our model where it has a direct relation with success or the highest level of organizational performance. These changes, which may lead to a organizational innovation as we can see in the Scenario D. Schumpeter believes that successful organizational change is pre conditions of innovation or a sort of innovation (Schunpeter 1971). In general sense the organizational innovation is refer to the changes made by an organization (Damanpour 1996). So it can be assumed that the successful organizational change and innovation are very closely related.

7: Conclusions

As a result, which we conclude under the light of scientific articles, journals and books, we believe that organizational change which are based on leader's vision and then followed by h/her innovative approach to get this vision, has a relatively strong and closer relation with improved organizational performance and leads to possible innovation. Though our case study is limited to two cases only and more case studies can prove beneficial to our work, yet the results of case studies are sufficiently helpful to increase the credibility of our stance, and we can see that how leaders come to the scenes and convert the local manufacturing units into multinational companies by their vision and innovative steps.

We can see the results of our research question, along with the proposed model. In the model below red lines show, that the organizational changes which are perceived, initiated and implemented by a visionary and innovative leadership, seems to have a relatively strong relation with success.



This model is based on perceptions mostly, along with the logic based reasoning, which we made after reading the literature on the related topic. Any scientific, calculated and proven relation between the characters of our model cannot be claimed yet, though our model is well inspired by the analysis of concerned scientific literature and journals. Our model can open new ways for researchers to think further on these lines which may lead them to develop any strong and proven relation between the characters of this model;

7.1: Contributions

As we discussed in above chapters, organizational change is not only important but also is a demand of time, and leadership can play a key role in it. Our research work may contribute to better understand the role of leadership, h/her competencies and capabilities, while addressing the issue of organizational change. Our work may also inspire the companies and organizations to think about the qualities of "Vision" and "Innovative Approach" in a leader, which may lead organizations to better manage the process of organizational change and may increase the chances of their success. The model we have purpose in this thesis can also open new ways for researchers to think further on these lines, and develop a more strong and proven relation between the characters of this model.

7.2: Further Research

Not long ago, it was believed that innovation can happen by chance, or by incidents and accidents only. But the modern theories and research deny this statement strongly, by arguing that it will be not wise to wait for these accidents. Now it is proved and widely believed that innovation can also happen by managing it. Likewise it is a big debate now a days that leaders born or made? Different scholars have different views over the matters. If we go with the theory that leader can be produced, then it will be the interesting area for researchers that how to produce visionary leaders, who may not only have the great analytical skills for current situations but also have a great ability to perceive the desirable future for organizations.

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